



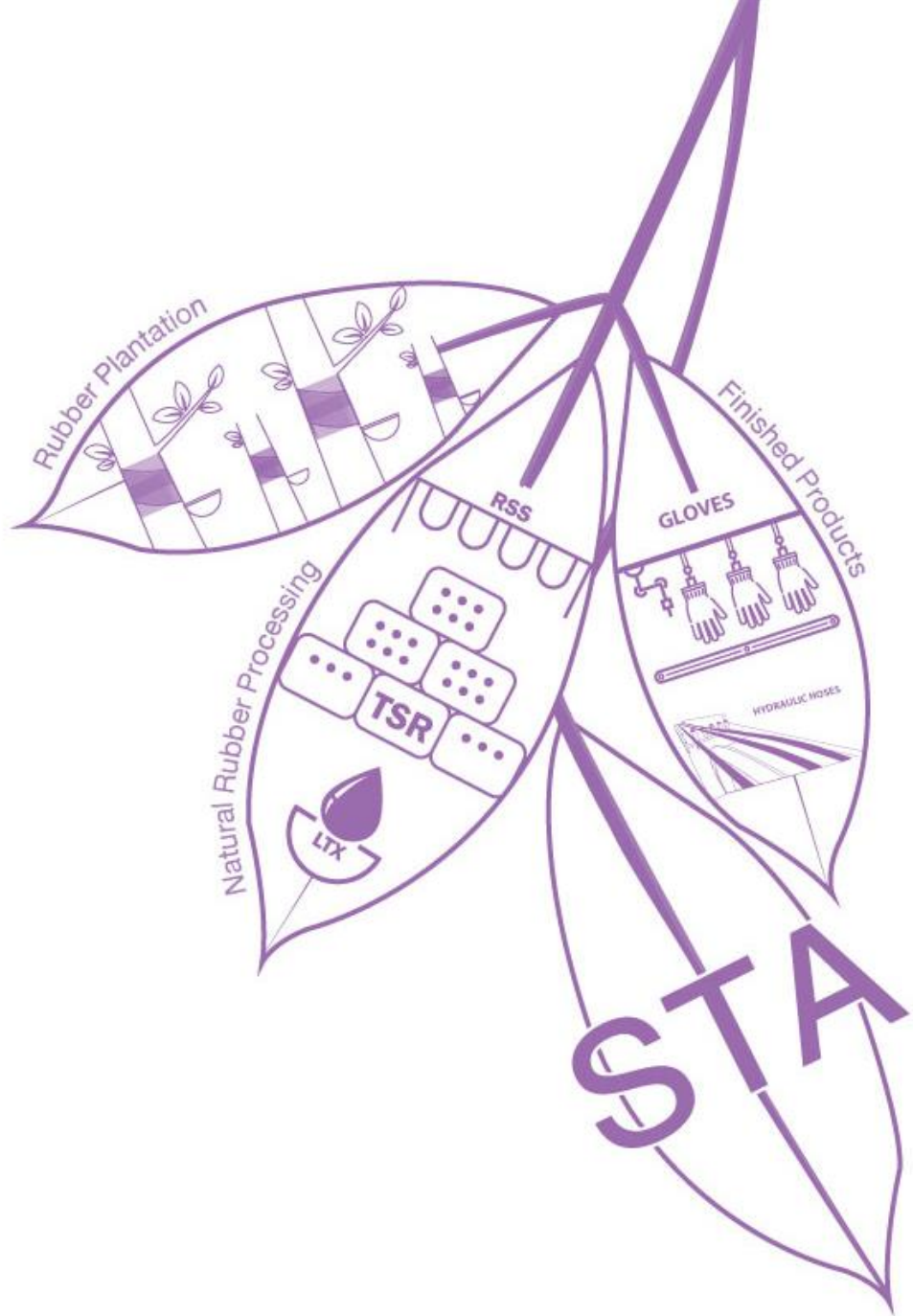
SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

## 1Q22 Presentation



Excellent  
Corporate Governance Score Appraised  
by Thai Institute of Directors





## 1. Financial Performance



## 2. Business Highlights



## 3. Natural Rubber Market Situation





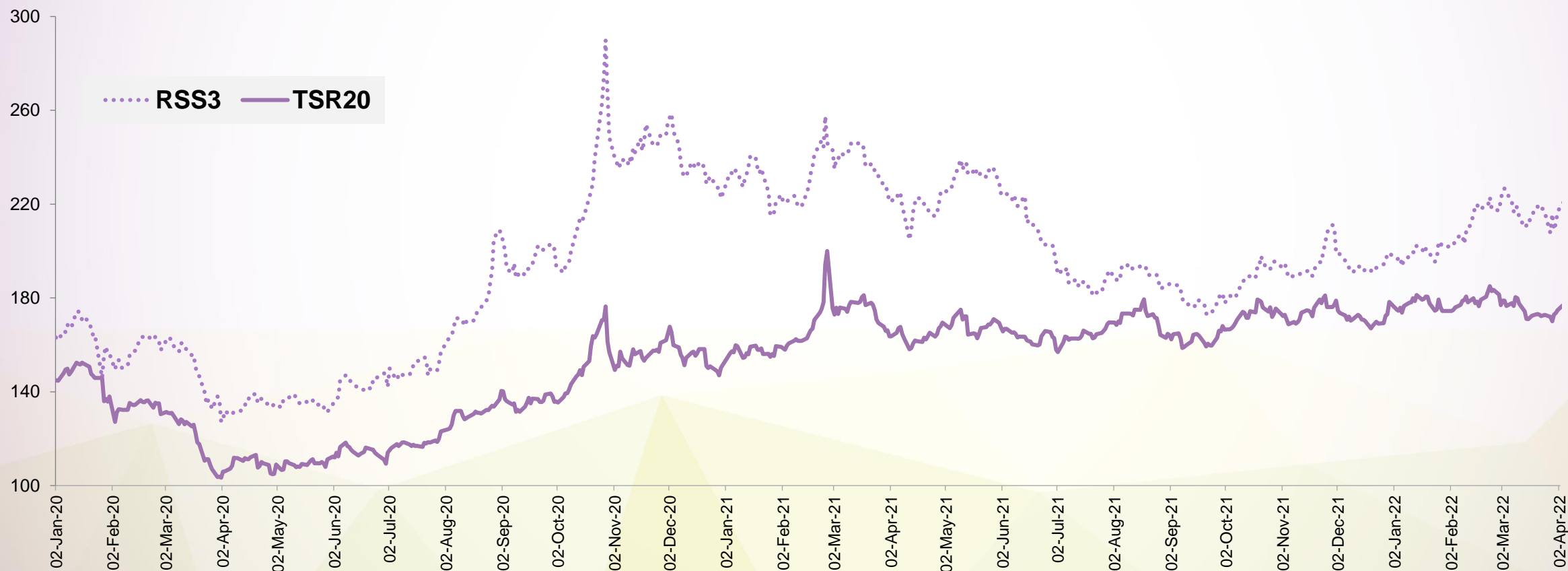
# 1. Financial Performance

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# Rubber Price Movement

## SICOM Price (US Cent/kg.)



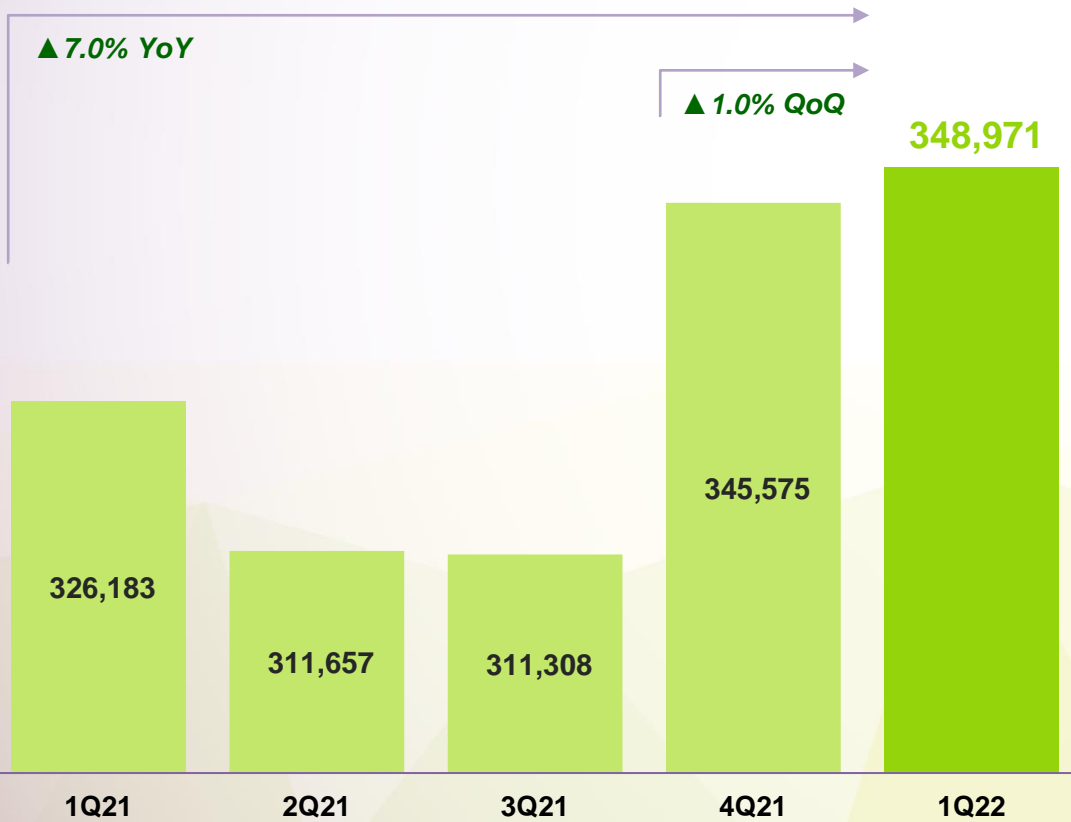
### Quarterly Average TSR20 Prices

1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
133.5 (-2.5%)	110.8 (-17.0%)	128.1 (+15.6%)	154.5 (+20.6%)	167.0 (+8.1%)	165.3 (-1.0%)	166.0 (+0.4%)	172.9 (+4.2%)	176.90 (+2.3%)

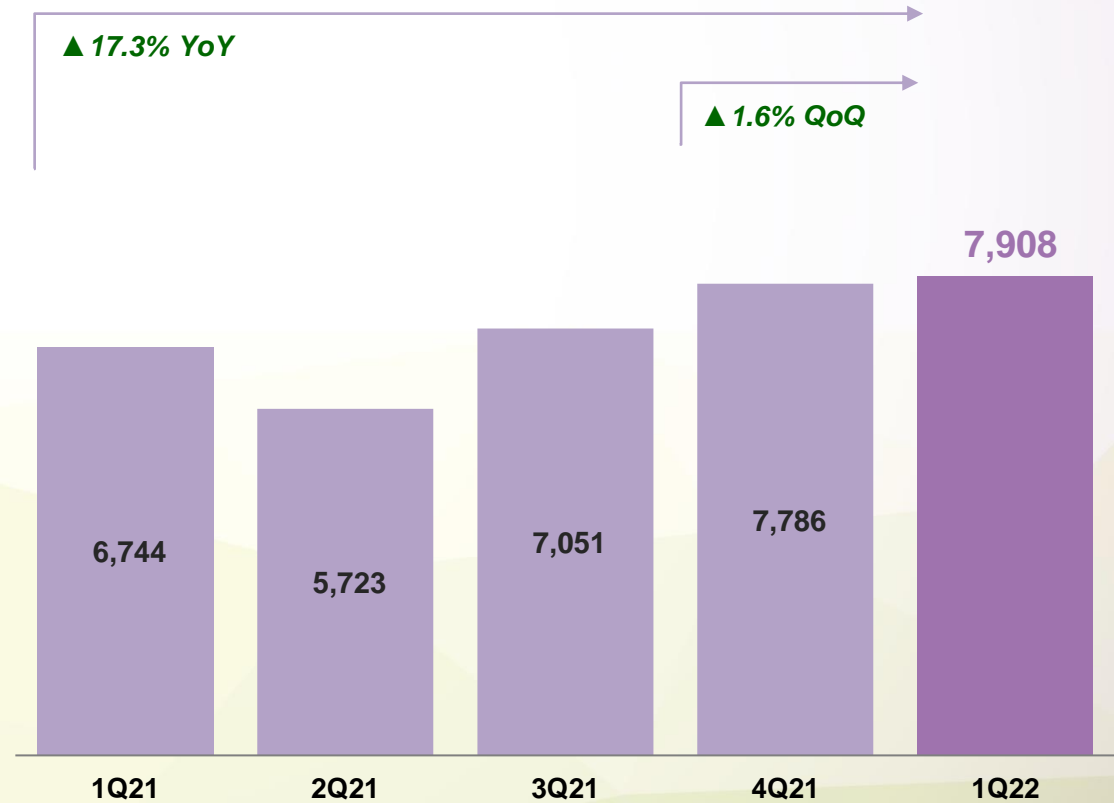
# Sales Volume



## Natural Rubber Products (tons)

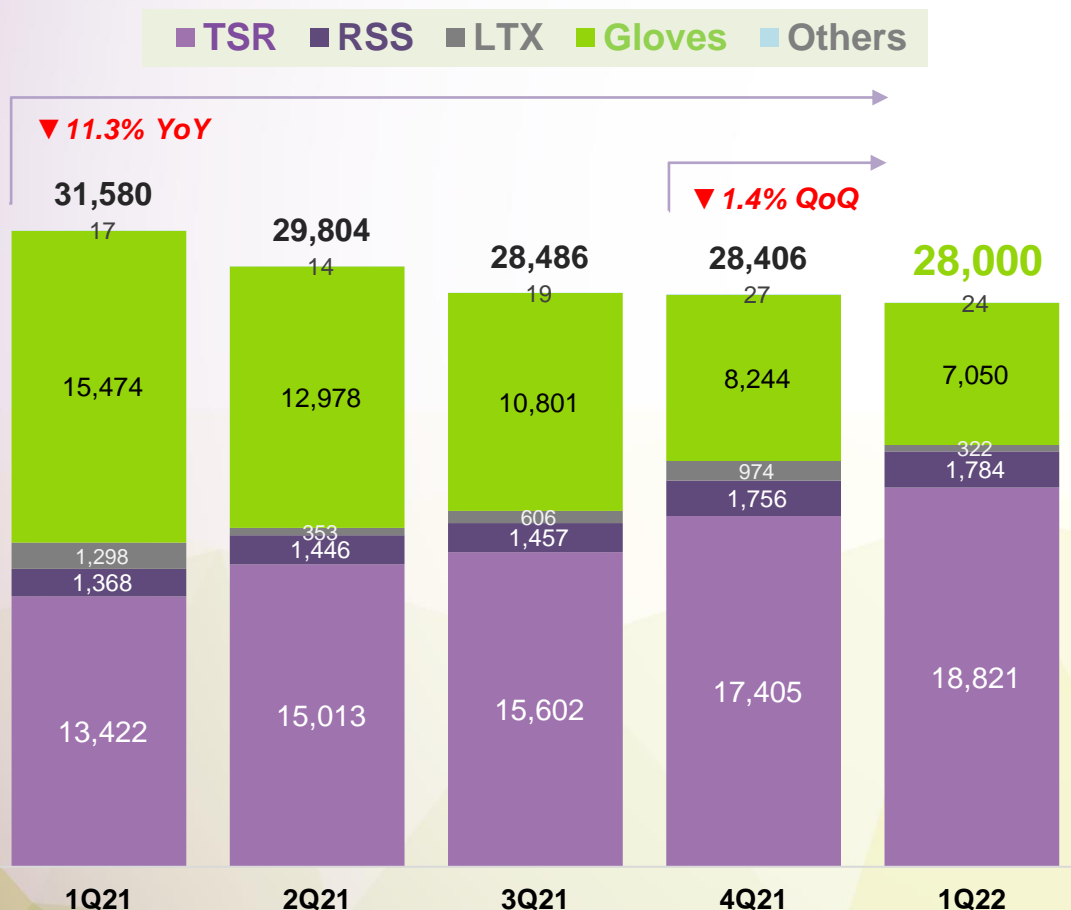


## Glove Products (million pieces)



# Sales Revenue – 75% contribution from NR business

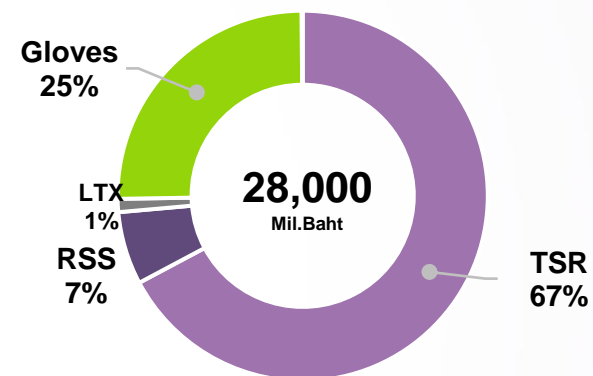
## Sales Revenue by Product (THB million)



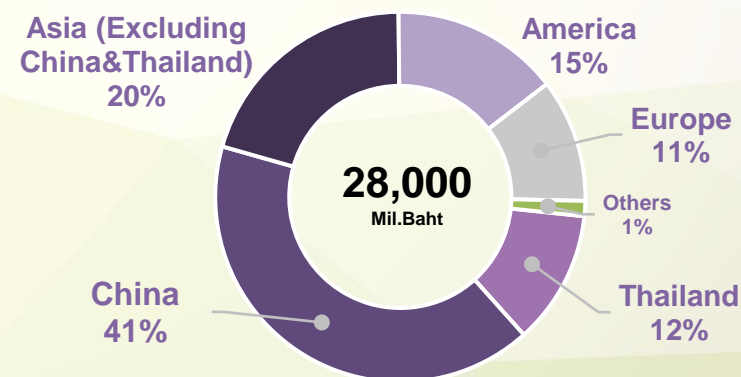
### ABBREVIATIONS

RSS : Ribbed smoked sheet    TSR : Technically specified rubber, which includes STR and SIR    LTX: Concentrated Latex

## Sales Breakdown by Product [1Q22]

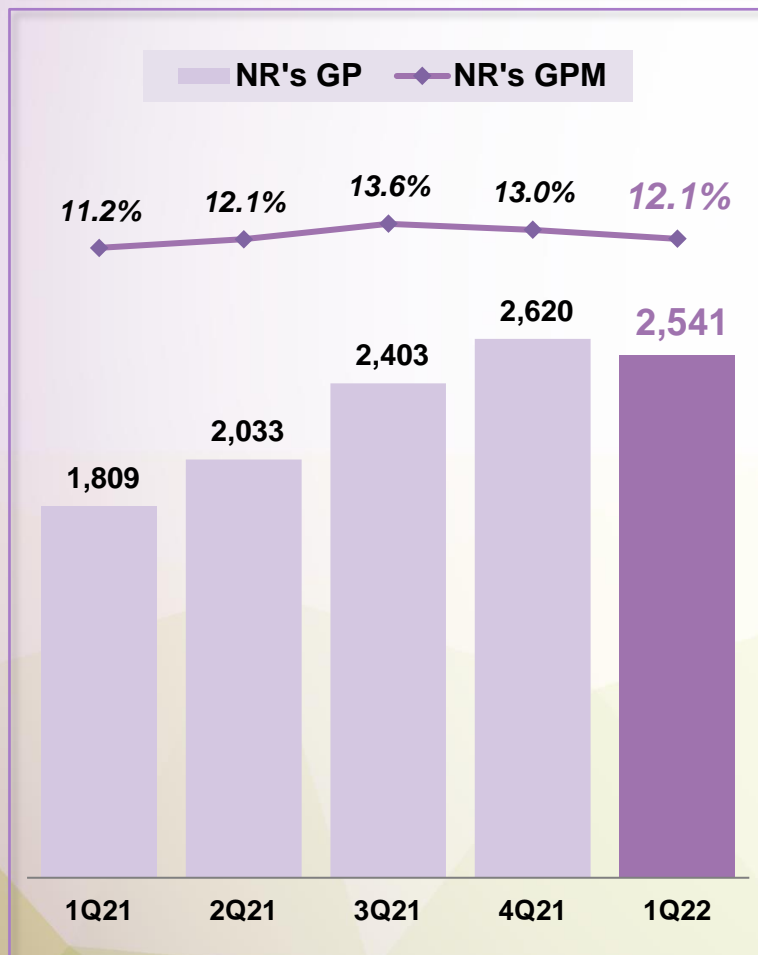


## Sales Breakdown by Region [1Q22]

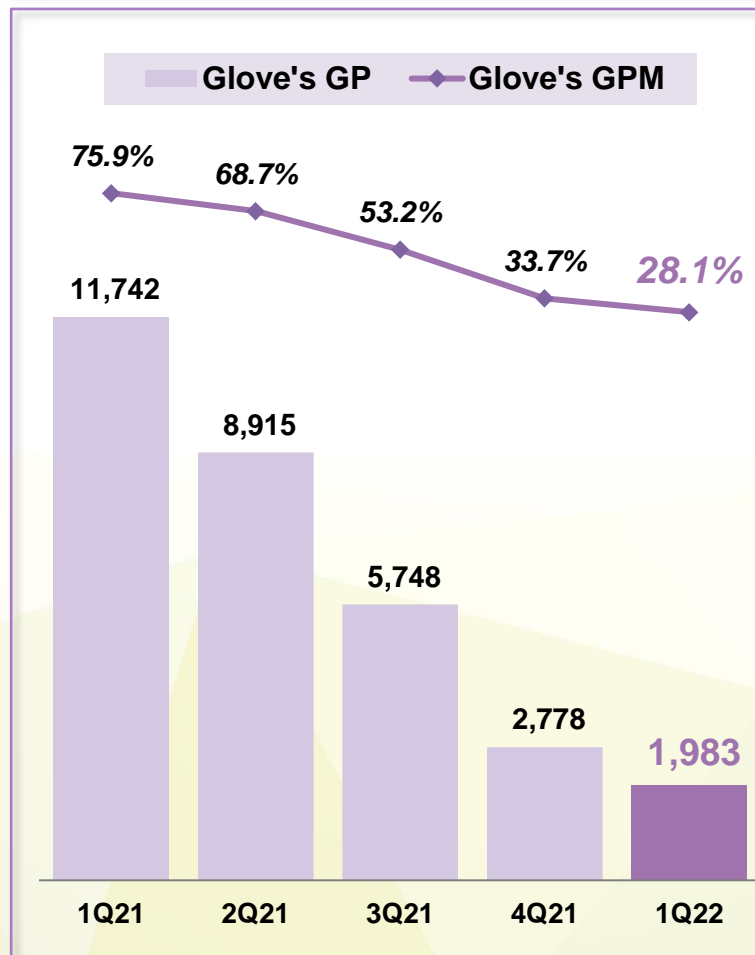


# Gross Profit

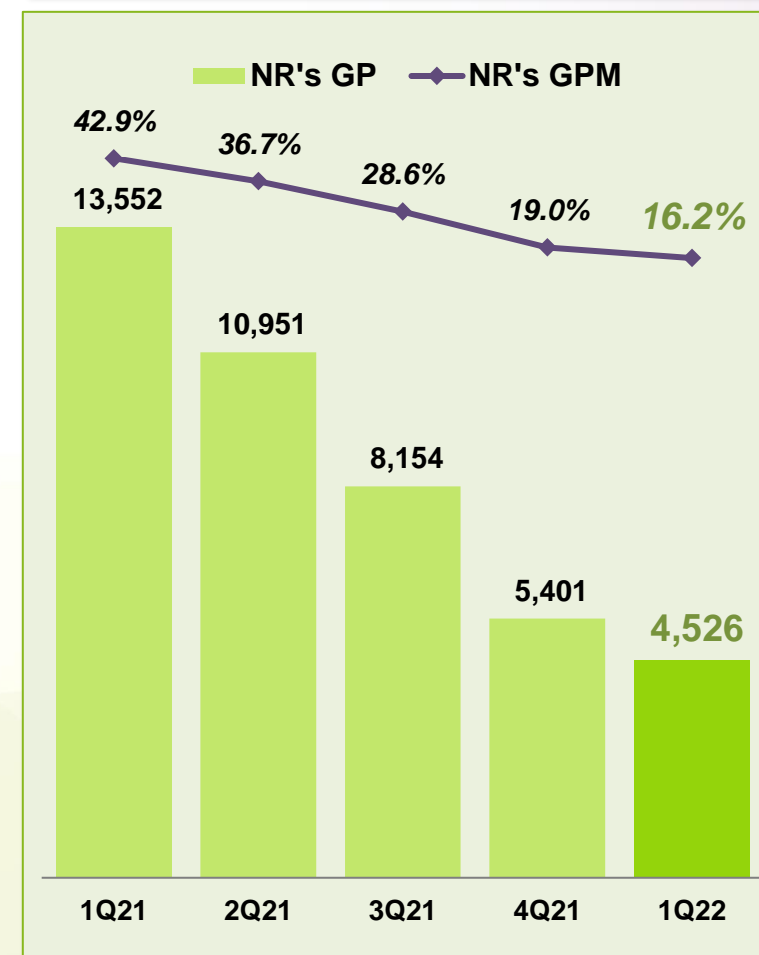
## NR's Gross Profit (THB million)



## Glove's Gross Profit (THB million)



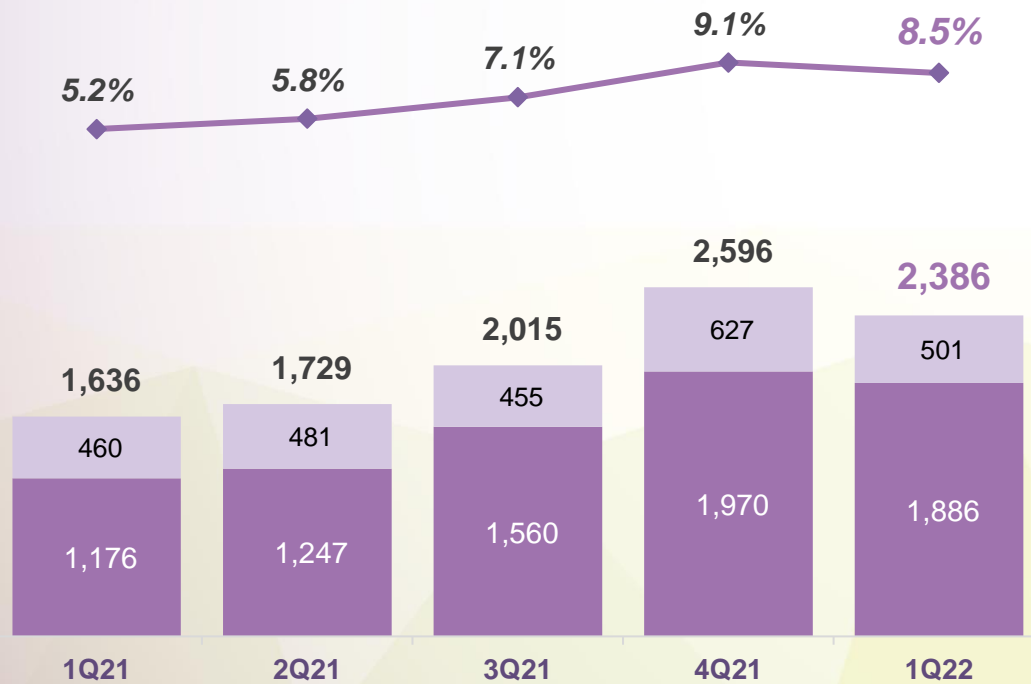
## Blended Gross Profit (THB million)



# SG&A, Gain on FX, and Other Gain

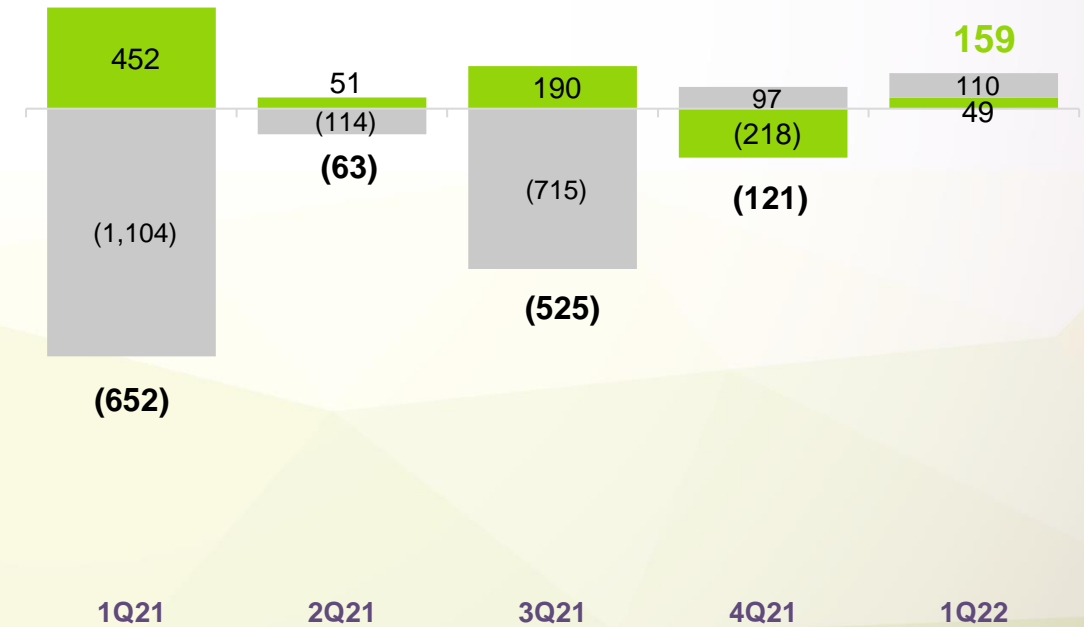
## SG&A (THB million)

Selling Expense Admin. Expense %SG&A/Sales



## Gain (Loss) on FX and Other Gain (Loss) (THB million)

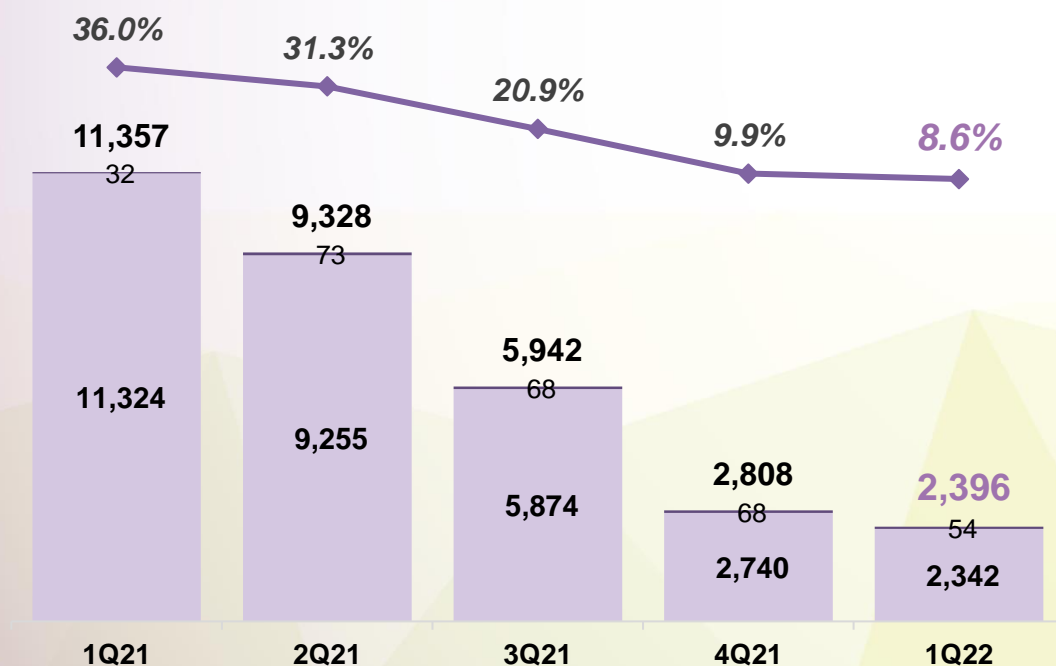
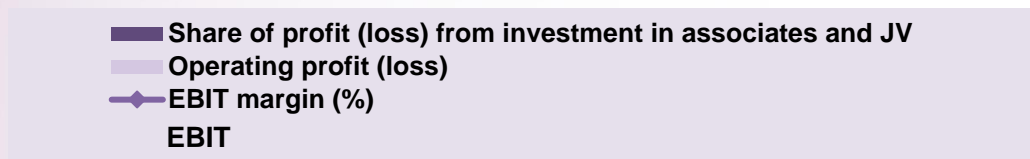
Gain (Loss) on FX Other Gain (Loss)



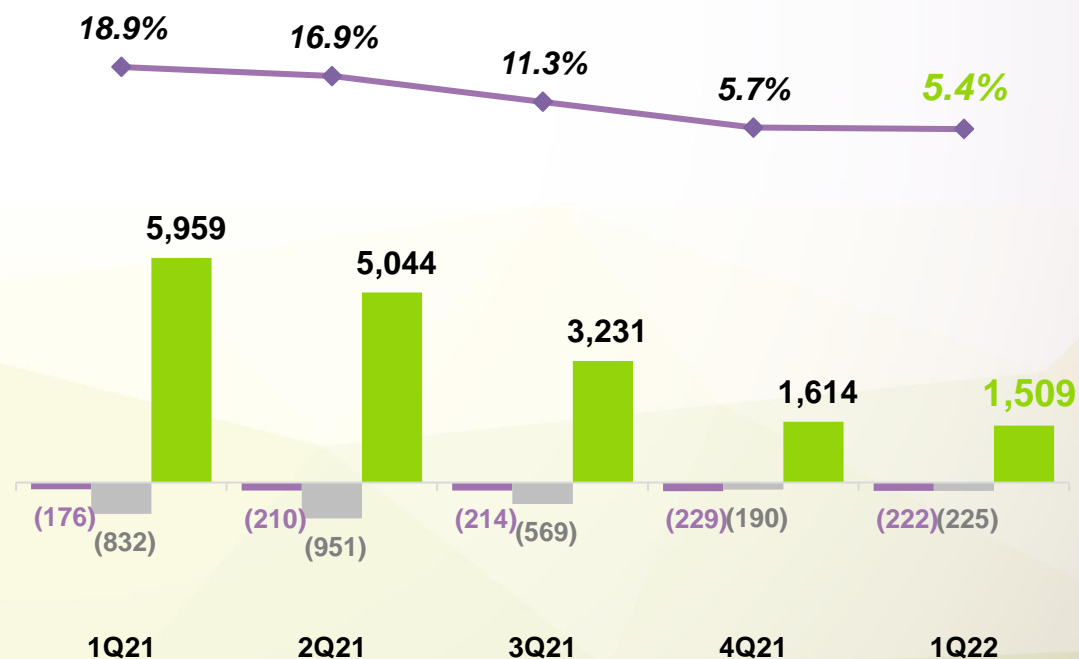
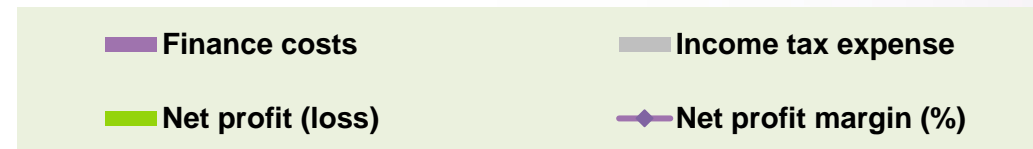


# EBIT & Net Profit

## EBIT (THB million)



## Net Profit (THB million)



# Financial Highlight



(Unit : THB million)	1Q22	1Q21	%YoY	4Q21	%QoQ	FY21
Revenue	28,000	31,580	-11.3%	28,406	-1.4%	118,275
NR Sales volume (tons)	348,971	326,183	7.0%	345,575	1.0%	1,294,724
NR Avg. selling price (USD per ton)	1,814	1,630	11.3%	1,746	3.9%	1,708
Gloves Sales volume (million pieces)	7,908	6,744	17.3%	7,786	1.6%	27,304
Gloves Avg. selling price (USD per 1,000 pieces)	27	76	-64.4%	32	-15.7%	56
Gross profit	4,526	13,552	-66.6%	5,401	-16.2%	38,059
Adj. gross profit**	4,826	13,486	-64.2%	5,119	-5.7%	36,769
SG&A	(2,386)	(1,636)	-245.9%	(2,596)	-191.9%	(7,927)
Gains (loss) on exchange rate, net**	49	452	-89.1%	(218)	-122.6%	474
Other gains (loss)*	(110)	(1,104)	-90.1%	97	-212.9%	(1,836)
Operating profit (loss)	2,342	11,324	-79.3%	2,740	-15.5%	29,193
Share of profit (loss) from investments in JV	53.8	33	65.7%	68	-20.8%	241
EBITDA	3,148	12,059	-73.9%	3,578	-11.6%	32,439
EBIT	2,396	11,357	-78.9%	2,808	-14.2%	29,434
Finance incomes	30	25	22.7%	31	-2.4%	113
Finance costs	(222)	(176)	26.3%	(229)	2.8%	(829)
Tax Income (expense)	(225)	(832)	-72.9%	(190)	18.6%	(2,542)
Net profit	1,509	5,959	-74.7%	1,614	-8.3%	15,847
GP margin	16.2%	42.9%	-267.0	19.0%	-28.0	32.2%
Adj. GP margin*	17.2%	42.7%	-255.0	18.0%	-8.0	31.1%
Operating profit margin	8.4%	35.9%	-275.0	9.6%	-12.0	24.7%
EBITDA margin	11.2%	38.2%	-270.0	12.6%	-14.0	27.4%
Net profit margin	5.4%	18.9%	-135.0	5.7%	-3.0	13.4%

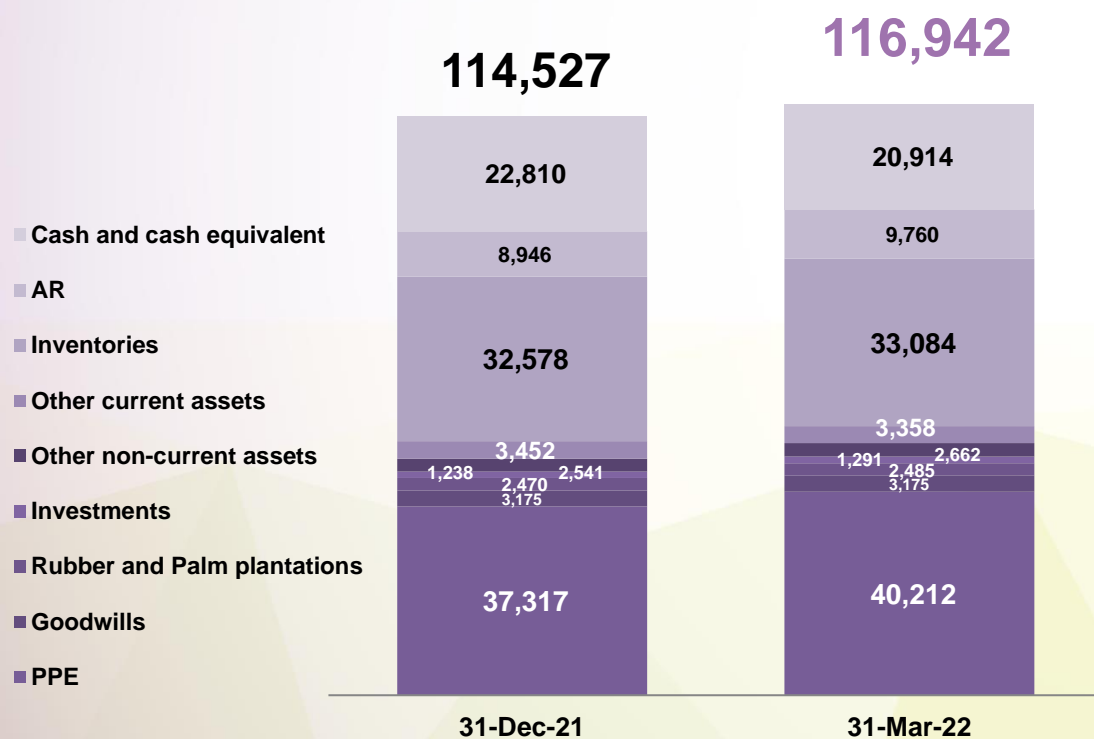
\*Adjusting for (reversal) allowance of inventory and realized gains/(losses) from hedging activities

\*\*Reclassified according to TFRS 7-- Just only FX gains/ (losses) related to AP, AR, loans can be shown in this item

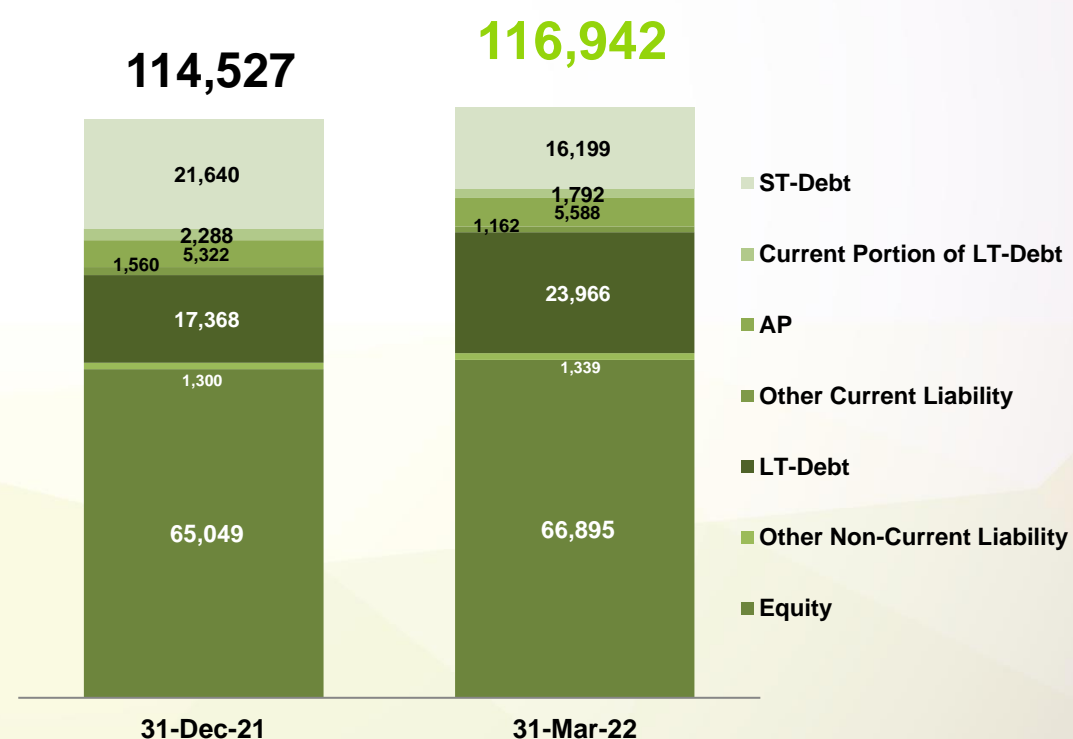
\*\*\*Reclassified according to TFRS related to financial instruments of currency and commodities

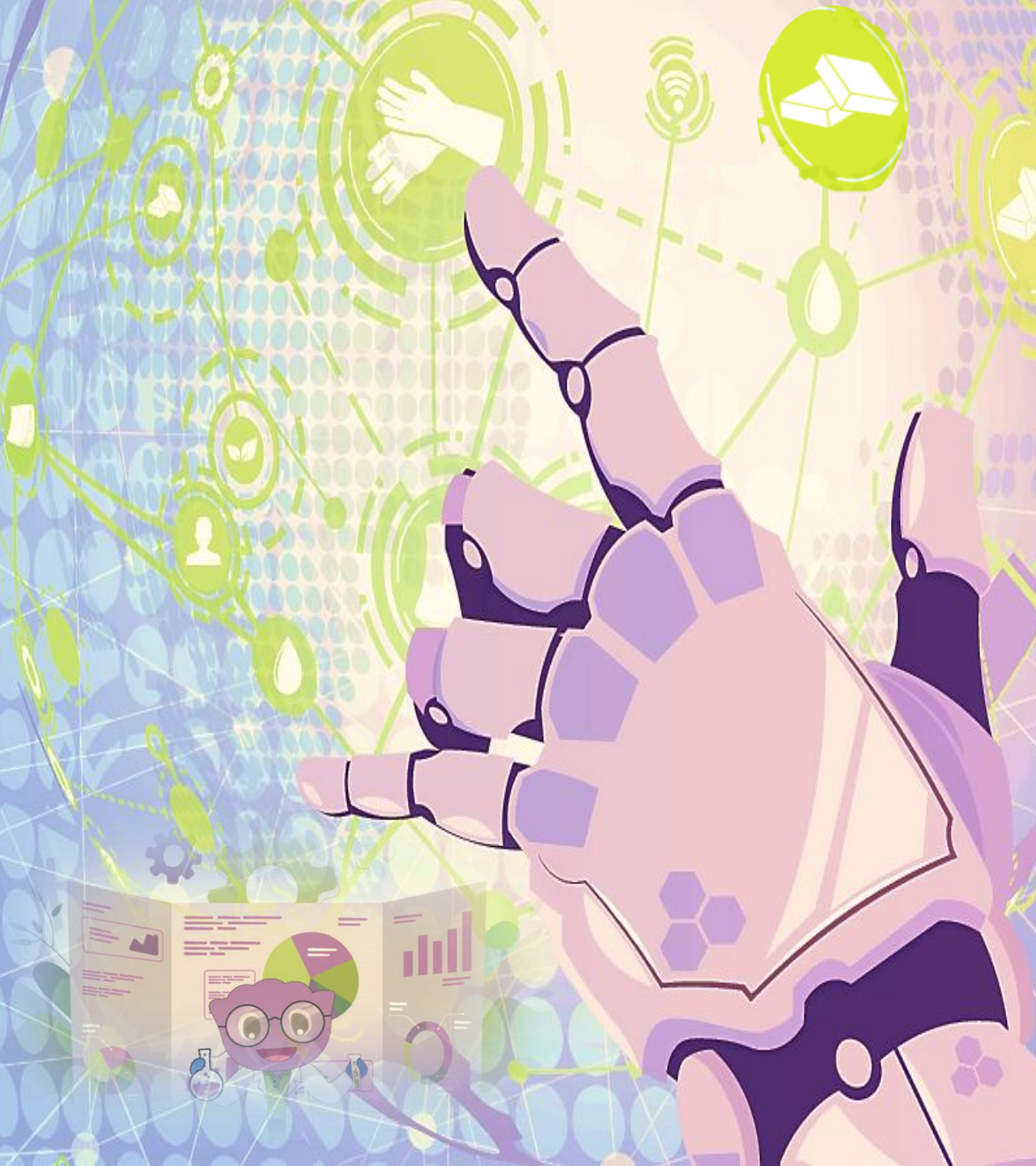
# Balance Sheet – Very Strong Financial Status

## Assets (THB million)



## Liabilities & Equity (THB million)





## 2. Business Highlights

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# The World's Leading Fully Integrated Natural Rubber Company

About STA: Established in 1987



## Upstream



### RUBBER PLANTATIONS

**45,000 rai**

(7,200 hectares) of rubber plantations and other economic crops

**32**

procurement centers

**> 7,000**

Rubber farmers and dealers being members of mobile application

"SRI TRANG Friends"

## Midstream



### RUBBER PROCESSING

**34**

NR processing plants in Thailand, Indonesia and Myanmar

**2.9**

million tons in production capacity per year

**1.3**

million tons sold in 2021

**10%**

market share of global natural rubber consumption in 2021

**32%**

market share of Thailand rubber production in 2021

## Downstream



### RUBBER GLOVES

**4**

locations of glove factories in Thailand

**41.5**

billion pieces of gloves in production capacity per year

**27.3**

billion pieces of gloves sold in 2021

**170+**

countries sold over the world

**SRITRANG's  
Global  
Presence**



Thailand



USA



Myanmar



Indonesia



Singapore



China



Vietnam

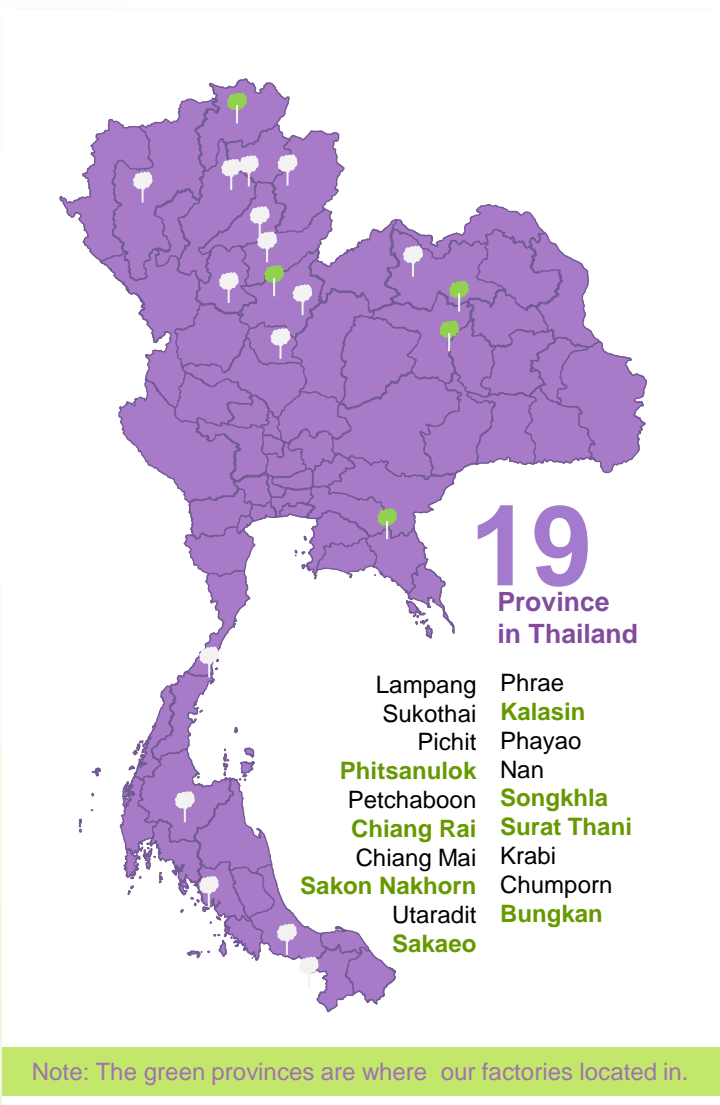


# Upstream Operations – Rubber Plantation

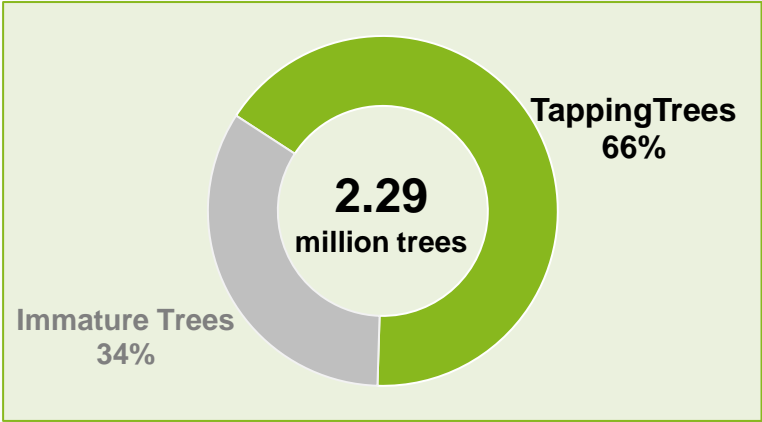
## Konjac in Rubber Plantation Mae Ai – Chiang Mai



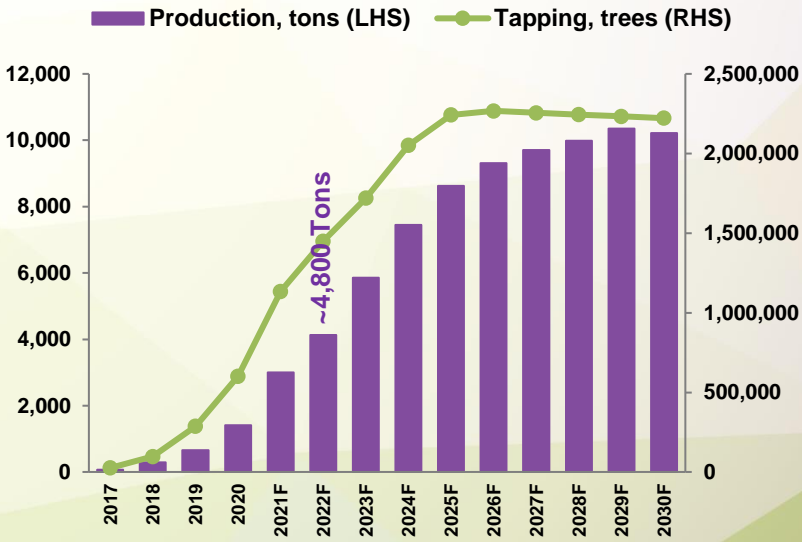
## Rain Gard Experiment Phrao - Chiang Mai



## Number of Rubber Trees (2022F)



## Estimated Mature Plantations





# Upstream Operations – Hemp Plantation



*Already received a License  
for Hemp Cultivation*



**Location:**

Thoen, Lampang, Thailand



**Total Area:** 5 Rais

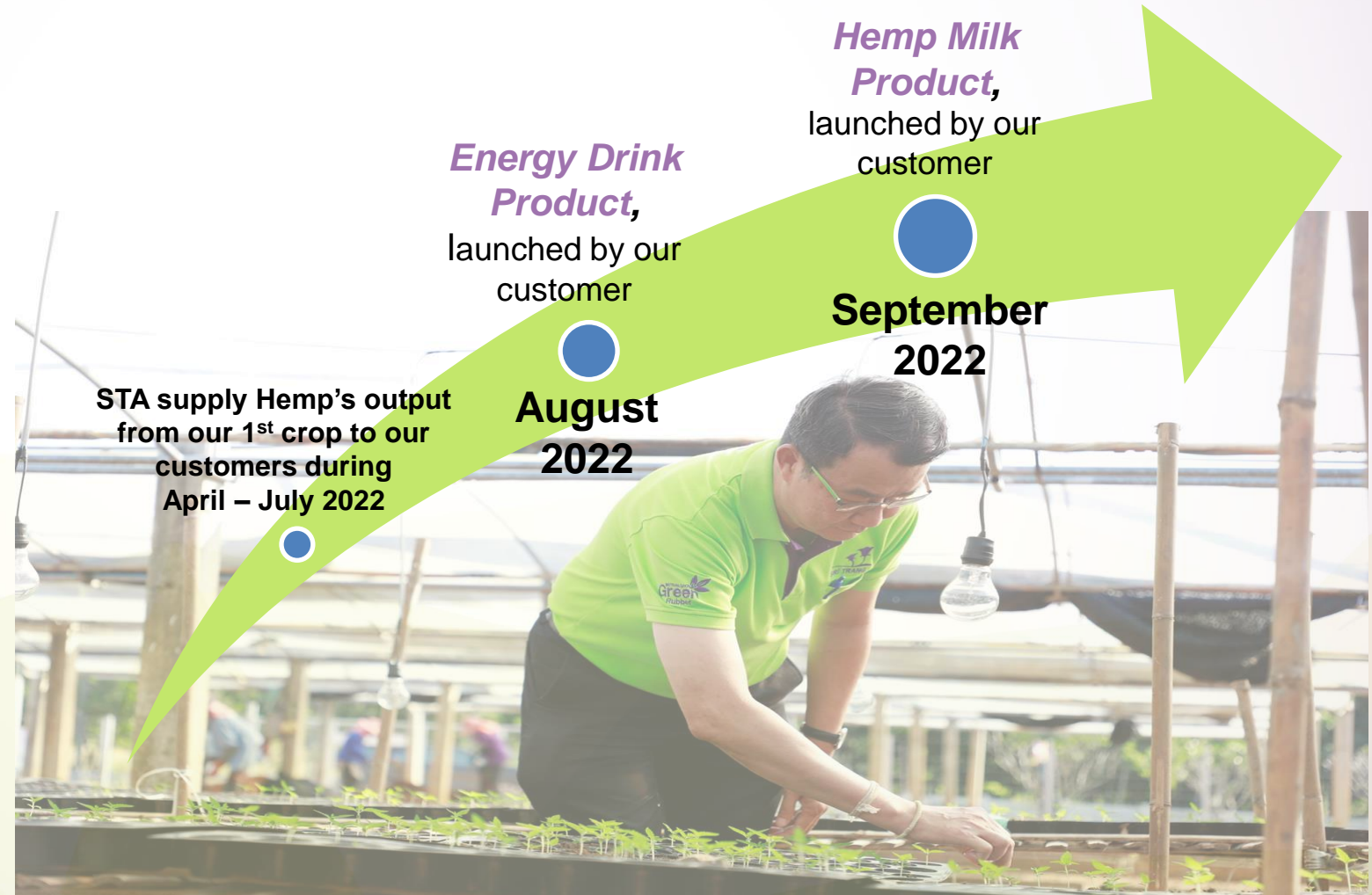


**Soil testing:** To confirm  
no contamination of Arsenic,  
Cadmium, Lead, and Mercury



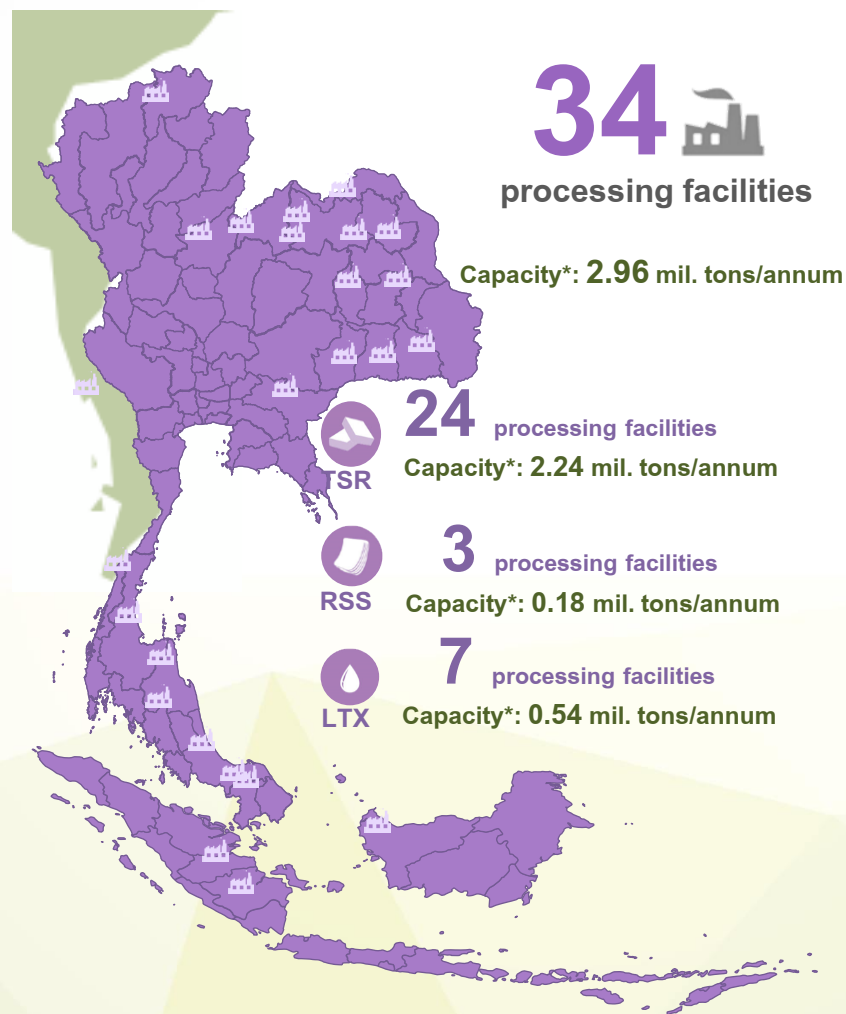
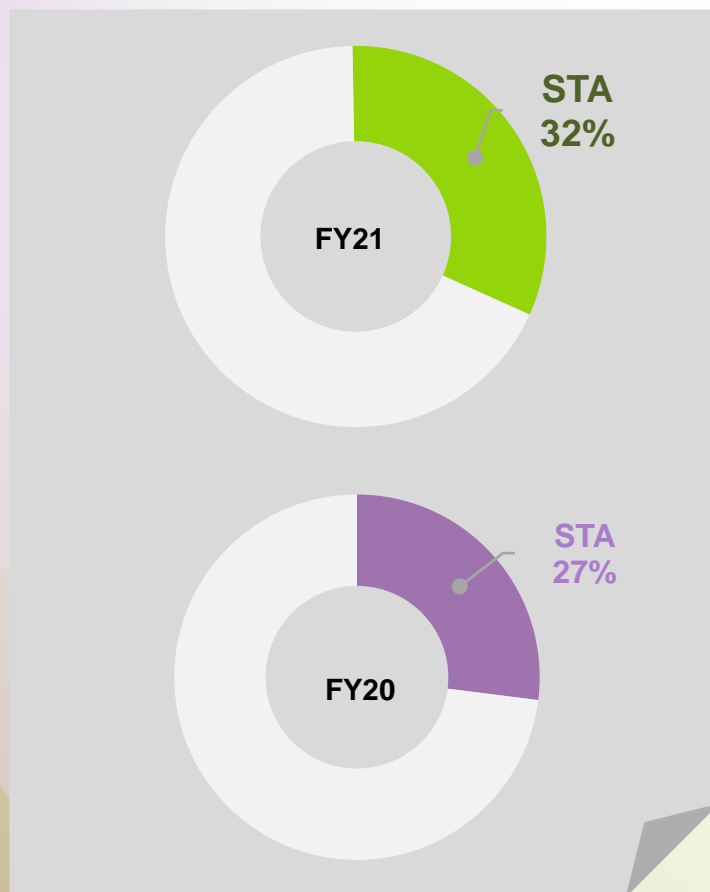


# Upstream Operations – Hemp Plantation Timeline



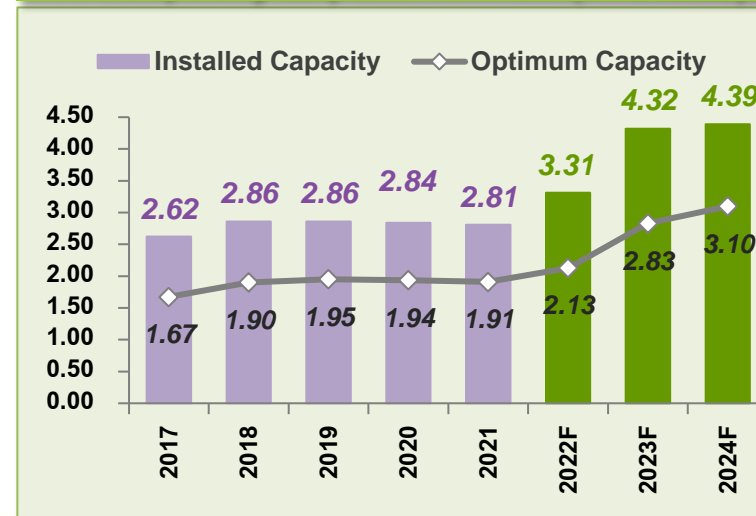
# Midstream Operations – NR Processing

## A Strong Increase in Market Share Rubber Production in Thailand

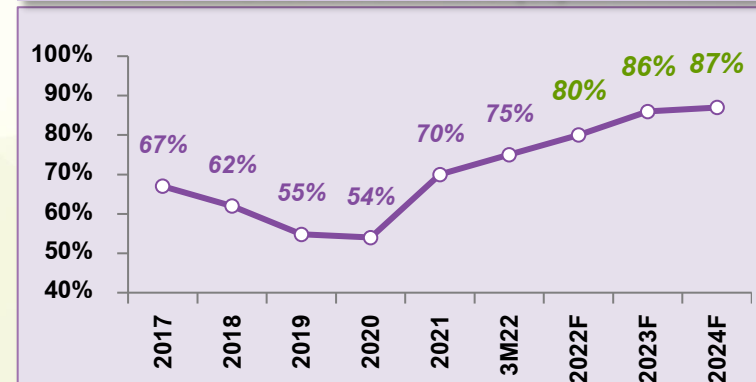


Note: \*Total engineering capacity

## NR Capacity Expansion Plan (mil. tons)



## Utilization Rate (%)



# Major Customers in Midstream Business

## GLOBAL BRANDS



## NON-CHINA

**CEAT** **apollo**



**Hankook**

**KUMHO TYRES**

## CHINA

**DEESTONE**

**THUNDERER**



**Vee Rubber**



**SENTURY**  
森麒麟轮胎

**CST**



**zc rubber**  
中策橡胶  
Hangzhou Zhongce Rubber Co., Ltd.

**GS**  
江苏通用科技股份有限公司  
Jiangsu General Science Technology Co., Ltd.



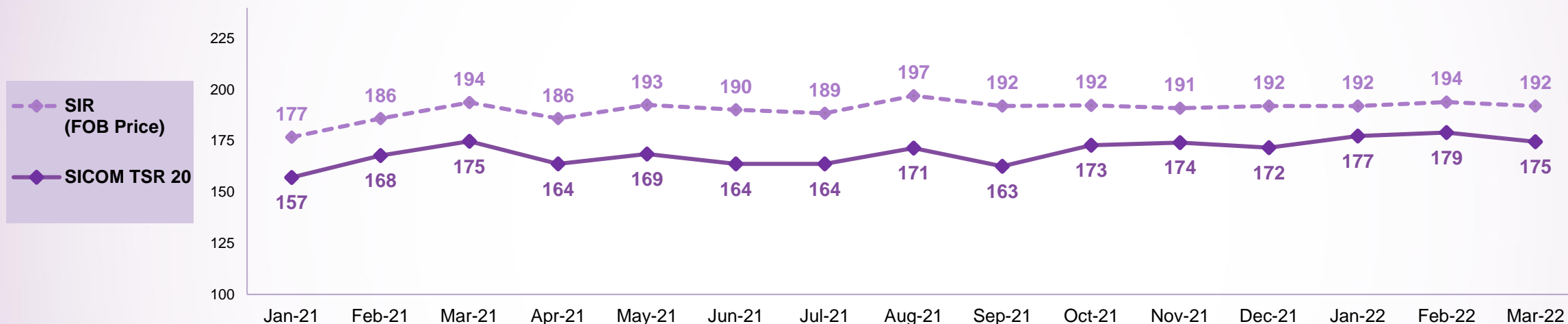
**MAXXIS**

**HFT**

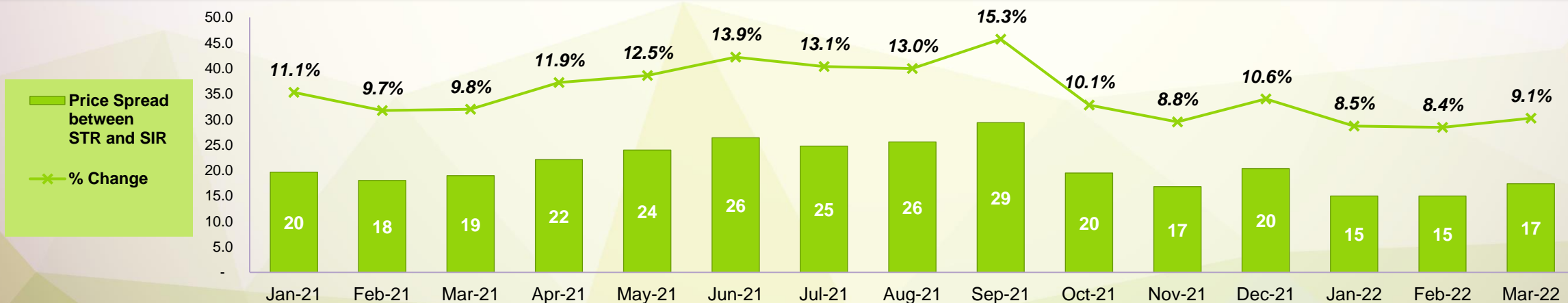


# Indonesia's Rubber Prices Are **Less Competitive!**

Price (US cent/kg.)

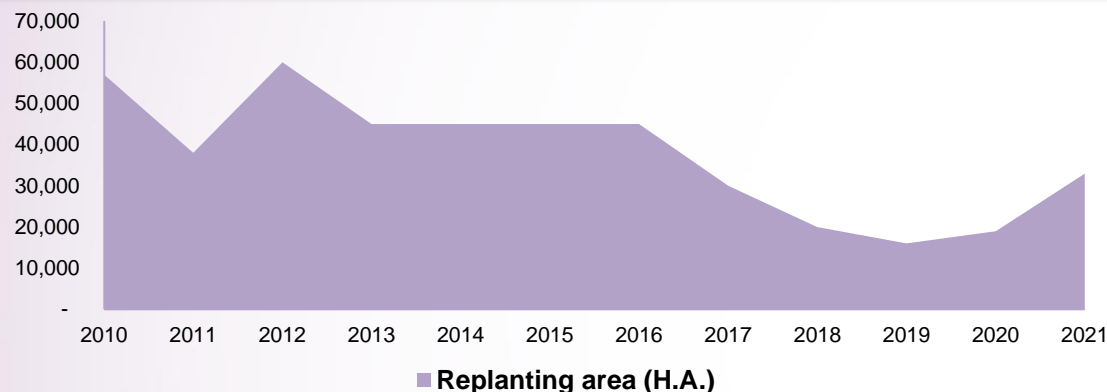


Price Spread (US cent/kg.)

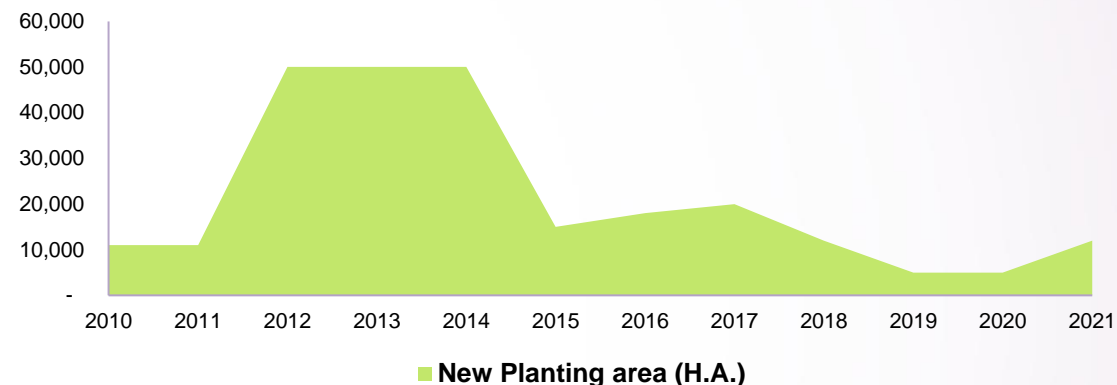


# Indonesia's Planting Area & NR Production

## Replanting area in Indonesia



## New Planting area in Indonesia



## Indonesia's NR Supply



## Normal Period

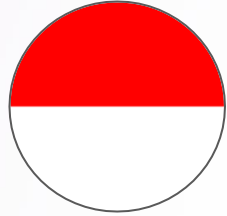
Country	January	February	March	April	May	June	July	August	September	October	November	December
Indonesia												

## Happened in 2021

Country	January	February	March	April	May	June	July	August	September	October	November	December
Indonesia												

Note: **Peak Season** **Low Season** **Wintering Season**

# Shifting of Indonesia's NR supply



Indonesia NR Supply

**Shifting** to

**500K-700K Tons**



THAILAND

**200K – 300K Tons**

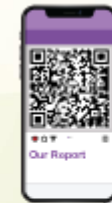


IVORY COST

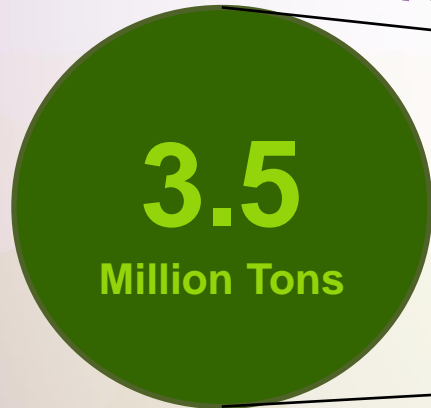
SRI TRANG  
could absorb

**300K  
Tons**

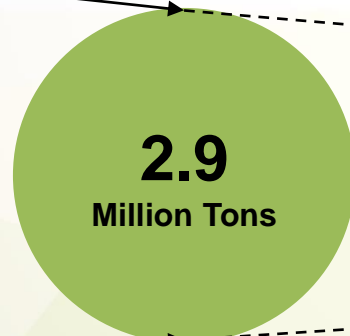
due to our capacity  
limitation.



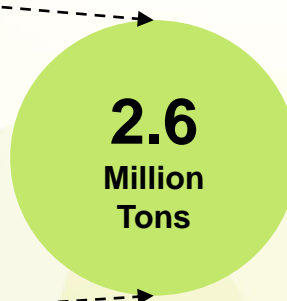
Decreased **700K – 900K Tons**



2017  
Peak Output



2021

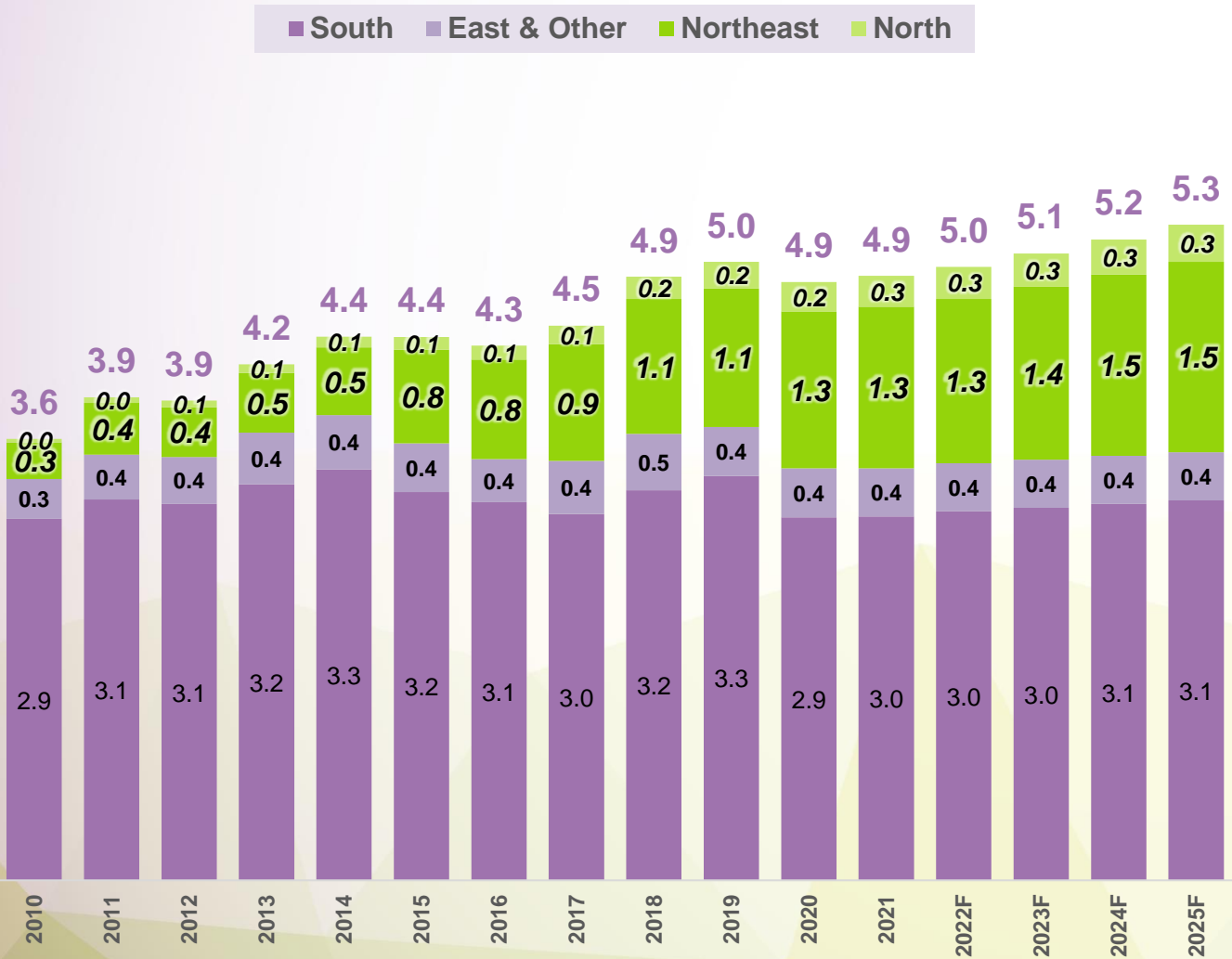


2022F

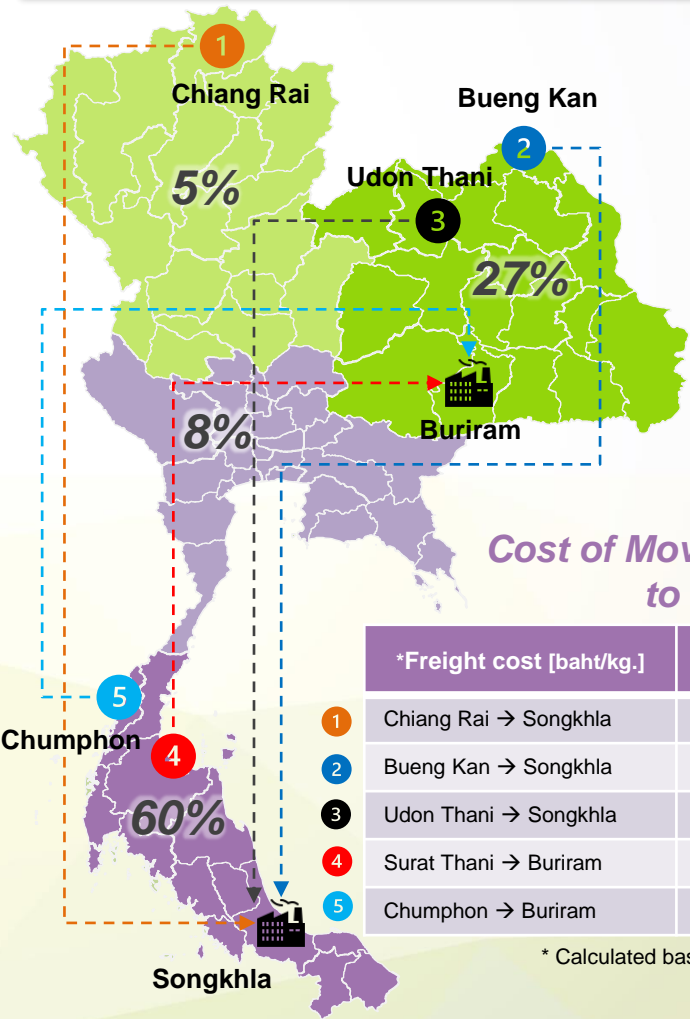
# NR's Supply from Northeast Area Plays a Crucial Role

[Unit: Million Rai]

Thailand's Natural Rubber Supply by Region



2022F Thailand's NR Supply



\* Calculated based on diesel price at 30 Baht/Litre.

# Standard Parameter for Setting Up TSR's Factory in Thailand

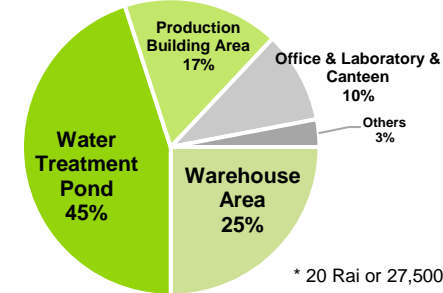
## Limitation of Setting up New Factories

- 1 City Plan [Industrial Zone]
- 2 Factory Licensing
- 3 Impact on community and environment [Warehouse management – closed system]



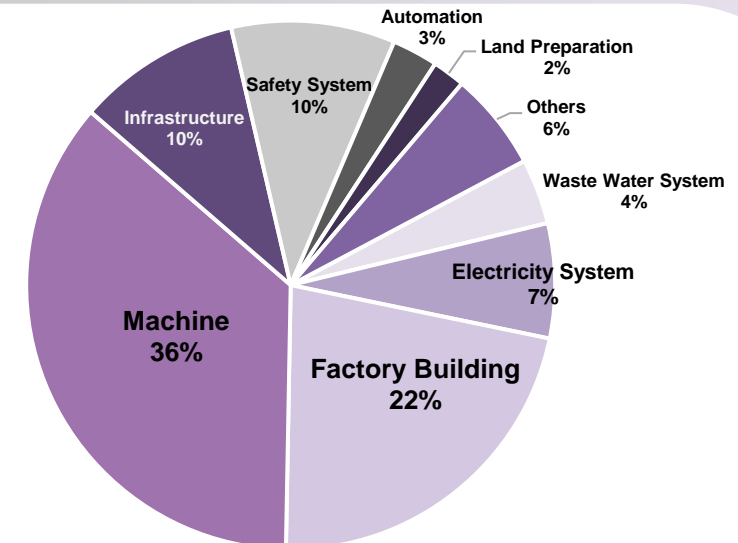
## Standard Information of TSR's Factory in Thailand

### 1 Minimum Area: 100 Rai/Factory



\* 20 Rai or 27,500 sq.m. [3-month stocking period]

### 2 Capacity: 60,000 Tons/Year [5,000 Tons/Month] Investment Budget: 500 THB Million





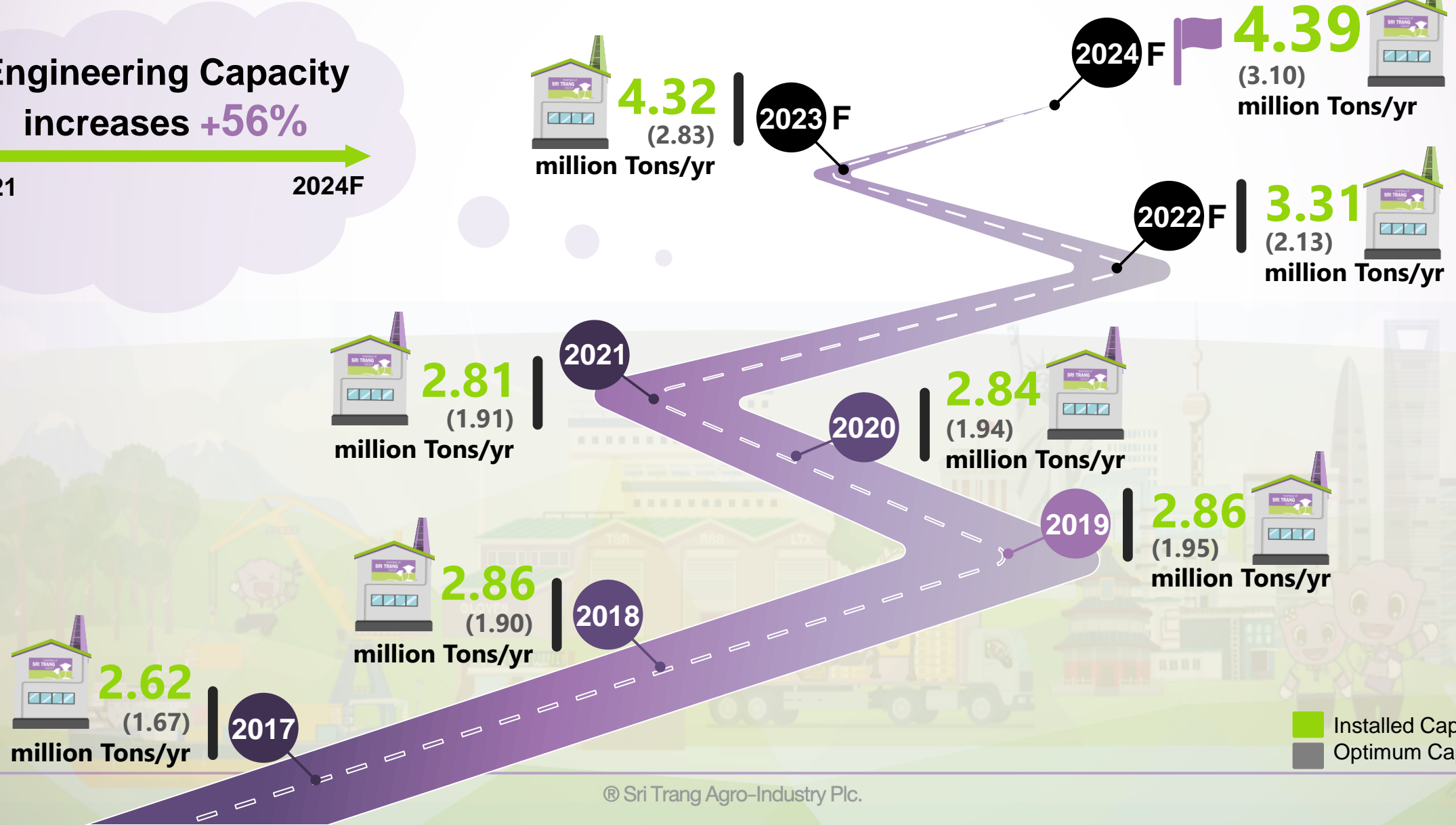
# Capacity Expansion Plan in NR Business



Engineering Capacity  
increases **+56%**

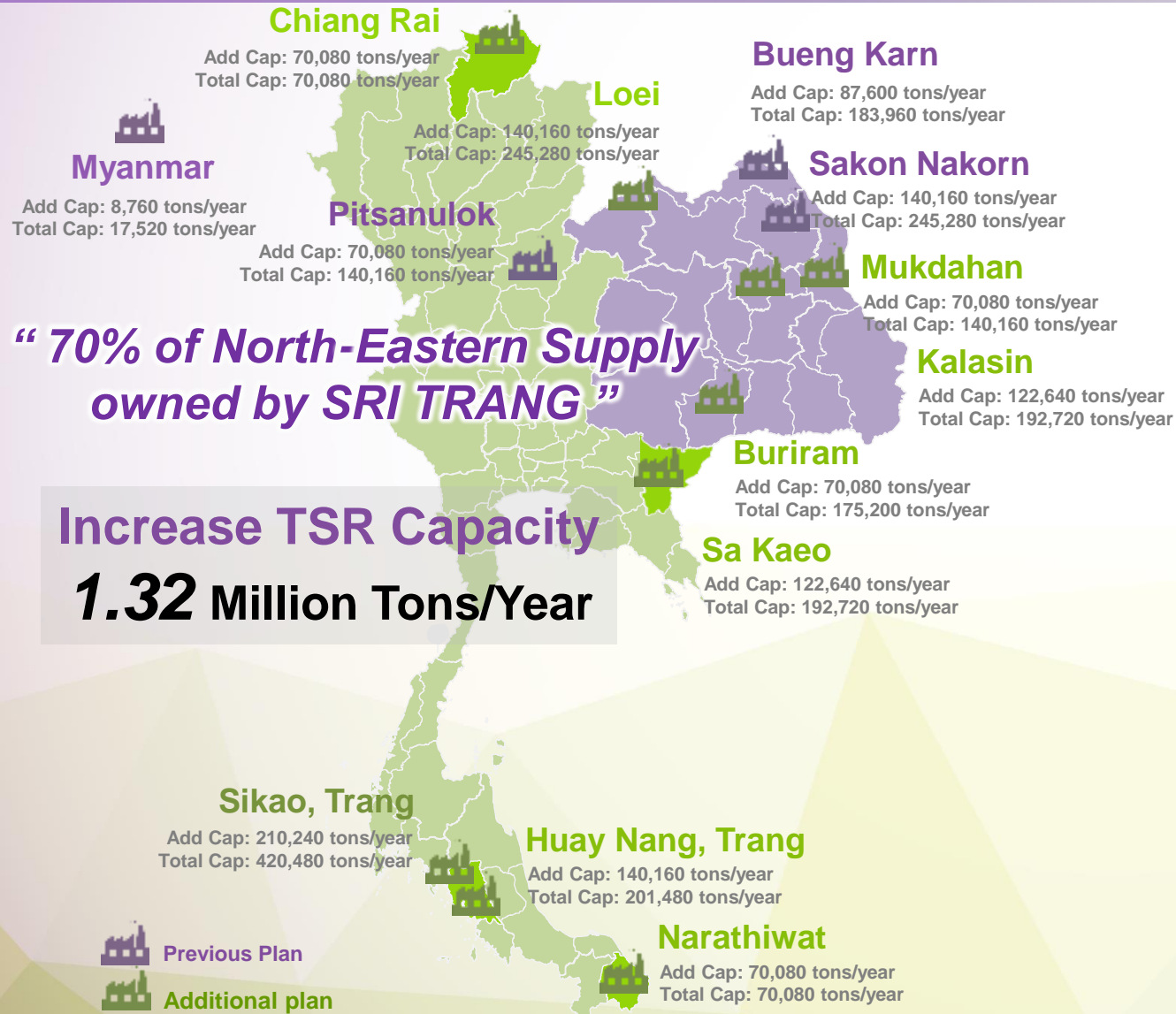
2021

2024F



■ Installed Capacity  
■ Optimum Capacity

# Aggressive Expansion in TSR Plants



## Investment Budget

**Approx. 8,800 THB million**

### Reasons for The Expansion



- Our TSR plants, in Thailand, was utilized over than 80% in 2021.
- Our competitors rarely expand its capacity.
- Our opportunity to absorb the increase of NR's North-Eastern supply
- Our opportunity to absorb the decrease of Indonesia's NR supply



# Expansion of Concentrated Latex Plants

**Bueng Karn**  
Add Cap: 52,560 tons/year  
Total Cap: 52,560 tons/year  
[Expected commercial run in 2Q2022]

**Increase LTX Capacity  
249,660 Tons/Year**

 Expansion in new plants  
 Expansion in existing plant

## Trang 2

New Cap: 65,700 tons/year

[Expected commercial run in 4Q2023]

## Kanjanadit, Suratthani

Add Cap: 113,004 tons/year

Total Cap: 283,824 tons/year

[Expected commercial run in 4Q2022]

## Narathiwat

Add Cap: 18,396 tons/year

Total Cap: 18,396 tons/year

[Expected commercial run in 3Q2022]

**Investment Budget  
1,335 THB million**

	2H2022	<b>+183,960 Tons/Year</b> ✓ Suratthani [Kananadit] ✓ Narathiwat ✓ Bueng Karn
	2H2023	<b>+65,700 Tons/Year</b> ✓ Trang 2
		<b>Installed Capacity Increase 249,660 Tons/Year</b>

# Create HIGH Barrier to Entry!



**967 THB Million** - Our Investment Budget for Automation Projects since 2014



Lower headcount

Lower energy consumption

## Energy Cost Development of Sri Trang

Y'1998

• Diesel

Y'2002

• Fuel Oil

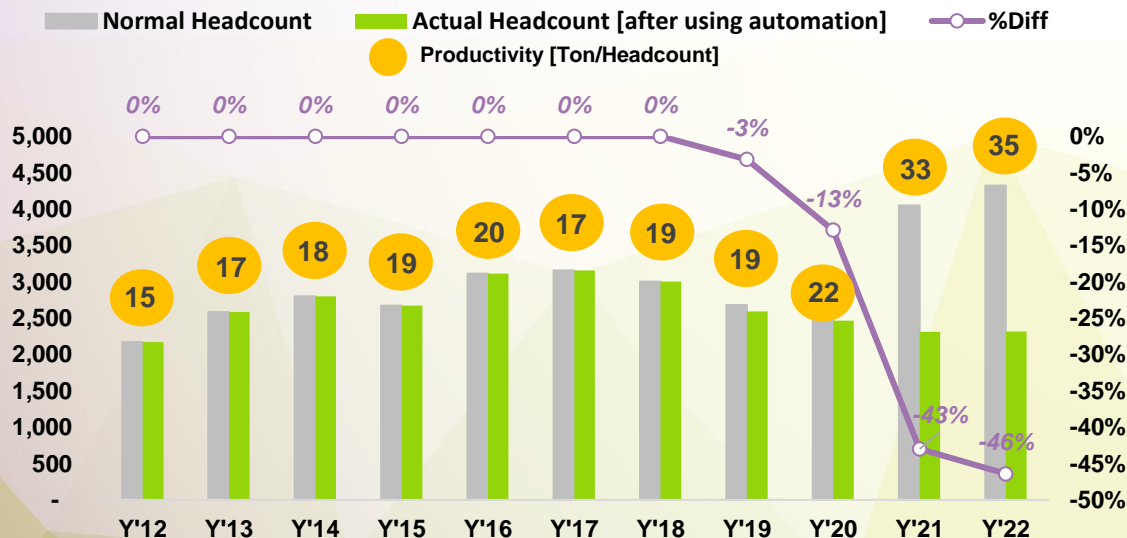
Y'2007

• LPG

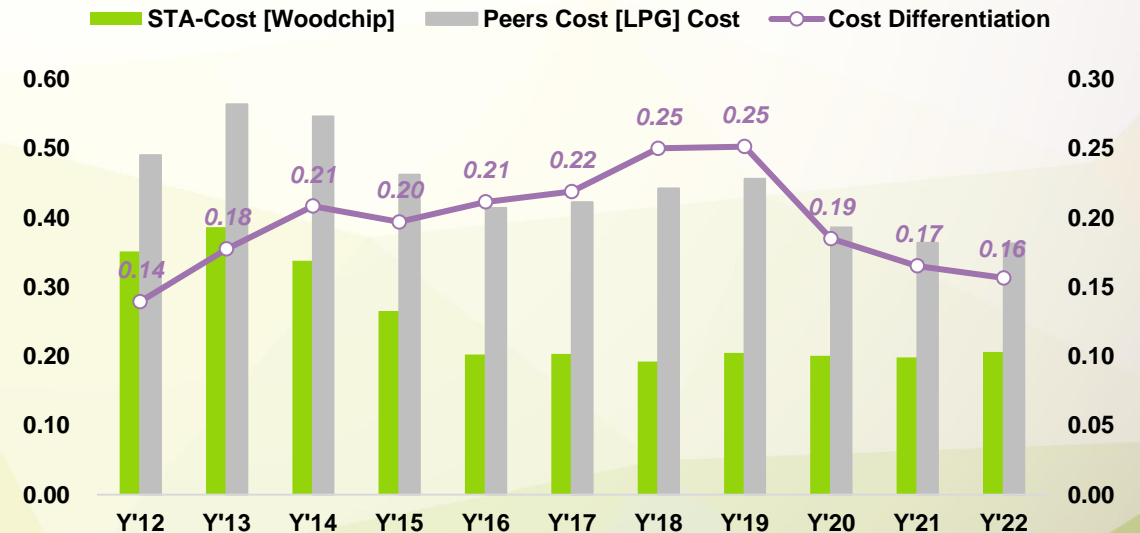
Y'2008

• Biomass

## Our Headcount Comparing to Peers



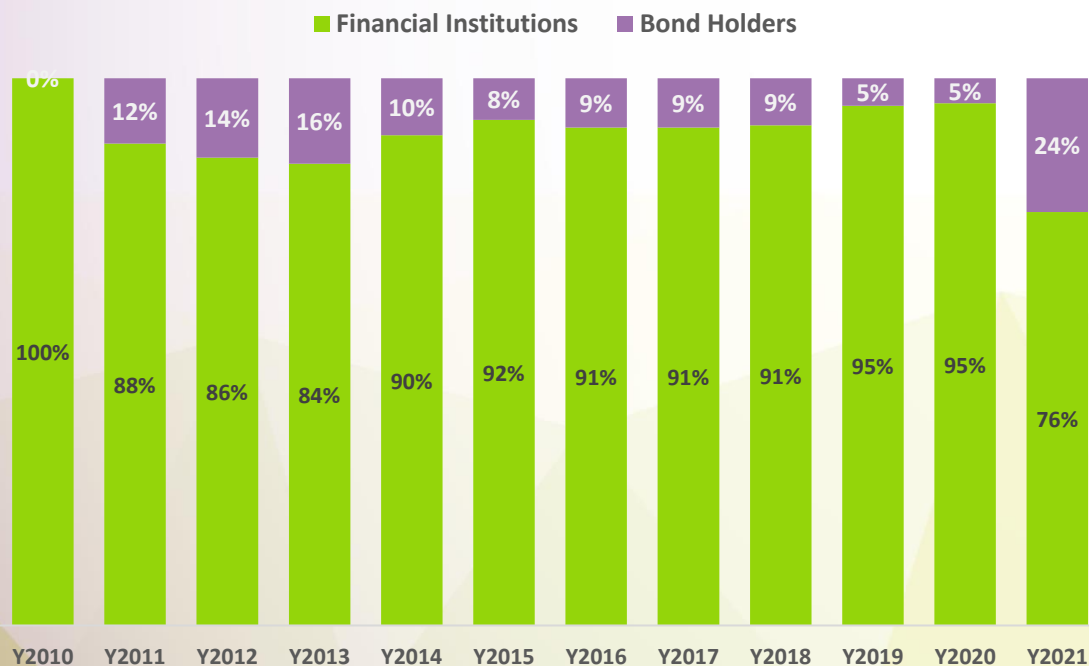
## Our Energy Cost Comparing to Peers [THB/Kg.]



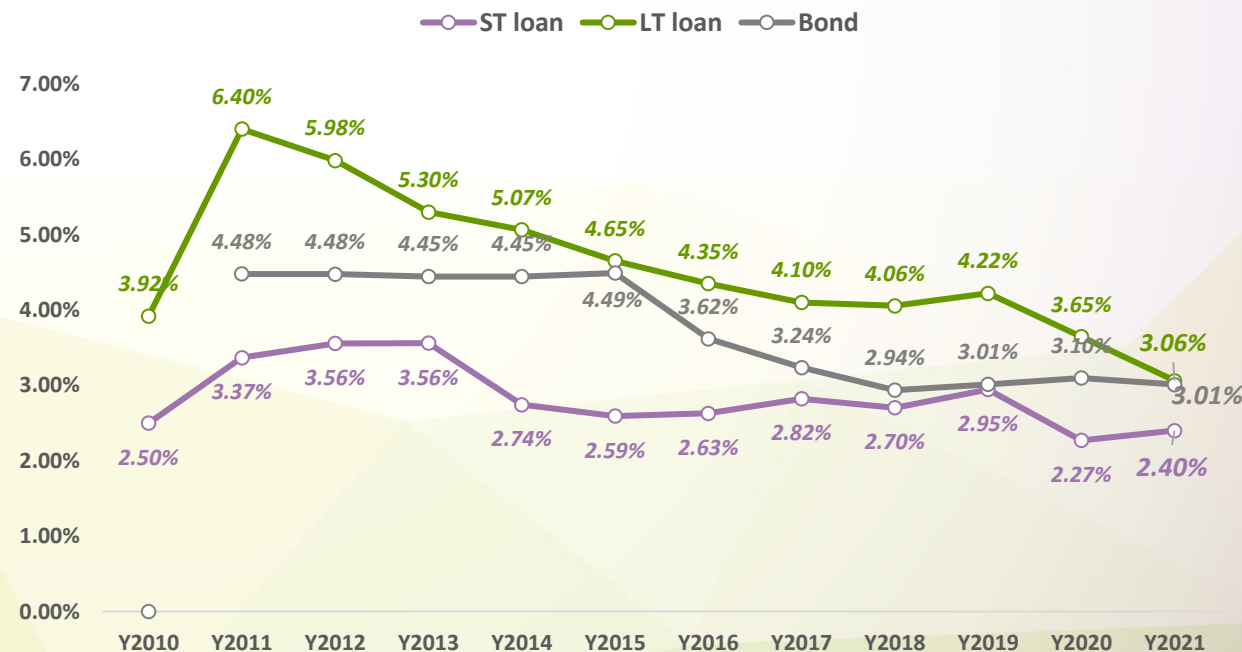
# VARIOUS Source of Funds & LOWEST Cost of Capital!

**SRI TRANG** has *various* source of funds with the **lowest** cost of capital comparing to peers.

## Increasing Portion of Debenture



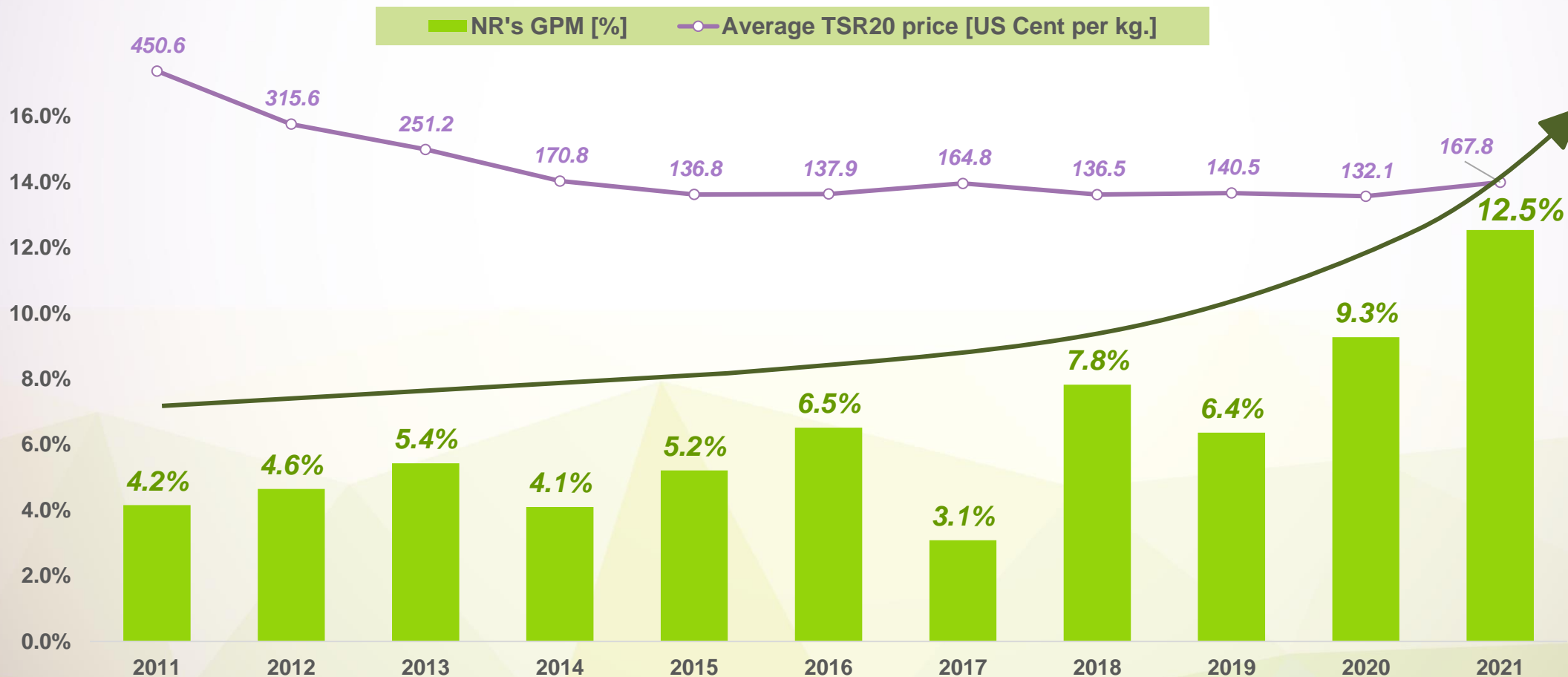
## Competitive Cost of Capital





# HIGHER GROSS PROFIT MARGIN Proved!

NR's Gross Profit Margin (%) and Average TSR20 Price





SRI TRANG  
**FRIENDS**

The New Era of Rubber industry through  
**Agri-Tech Ecosystem**





# Sri Trang Friends Features are to create **ECO-SYSTEM** in the NATURAL RUBBER INDUSTRY



# **SRI TRANG** is in a **SPACESHIP!**

**KEEP MOVING OUT OF  
THE TRADITIONAL  
RUBBER BUSINESS**



**Bye...**



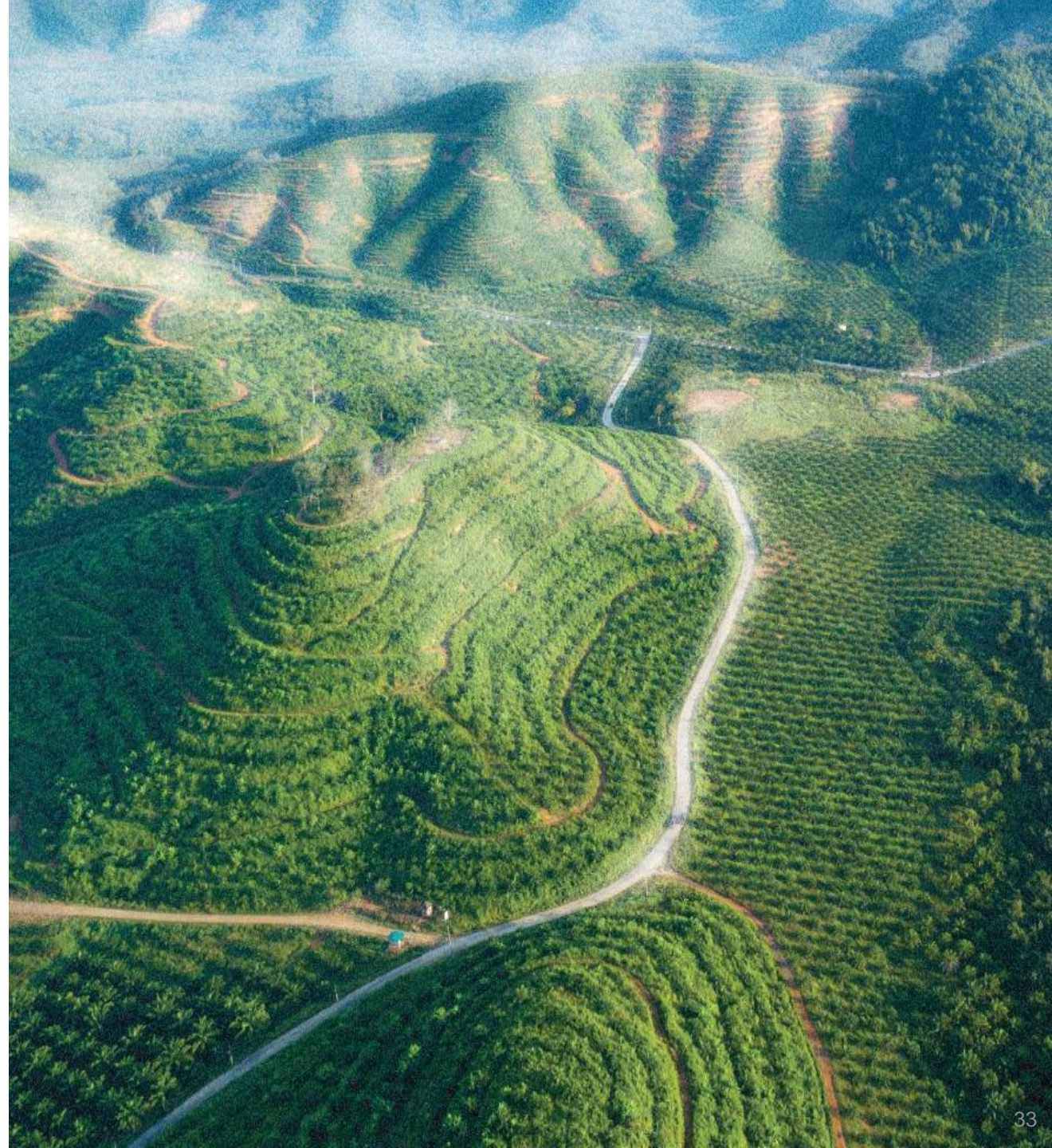
**Our Competitors**



# 03

## Natural Rubber Market Situation

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# Global NR Seasonality: Normal Peak Season in Each Region

Region	Country	January	February	March	April	May	June	July	August	September	October	November	December
East Asia	China (Yunnan)												
East Asia	China (Hainan)												
Africa	Ivory Coast												
Africa	Ghana												
SE Asia	Vietnam												
South Asia	India												
SE Asia	Thailand-Northeast												
	Thailand-South												
SE Asia	Cambodia												
SE Asia	Laos												
SE Asia	Philippine												
SE Asia	Malaysia												
SE Asia	Myanmar												
SE Asia	Indonesia												
Africa	Congo												

Note: **Peak Season**

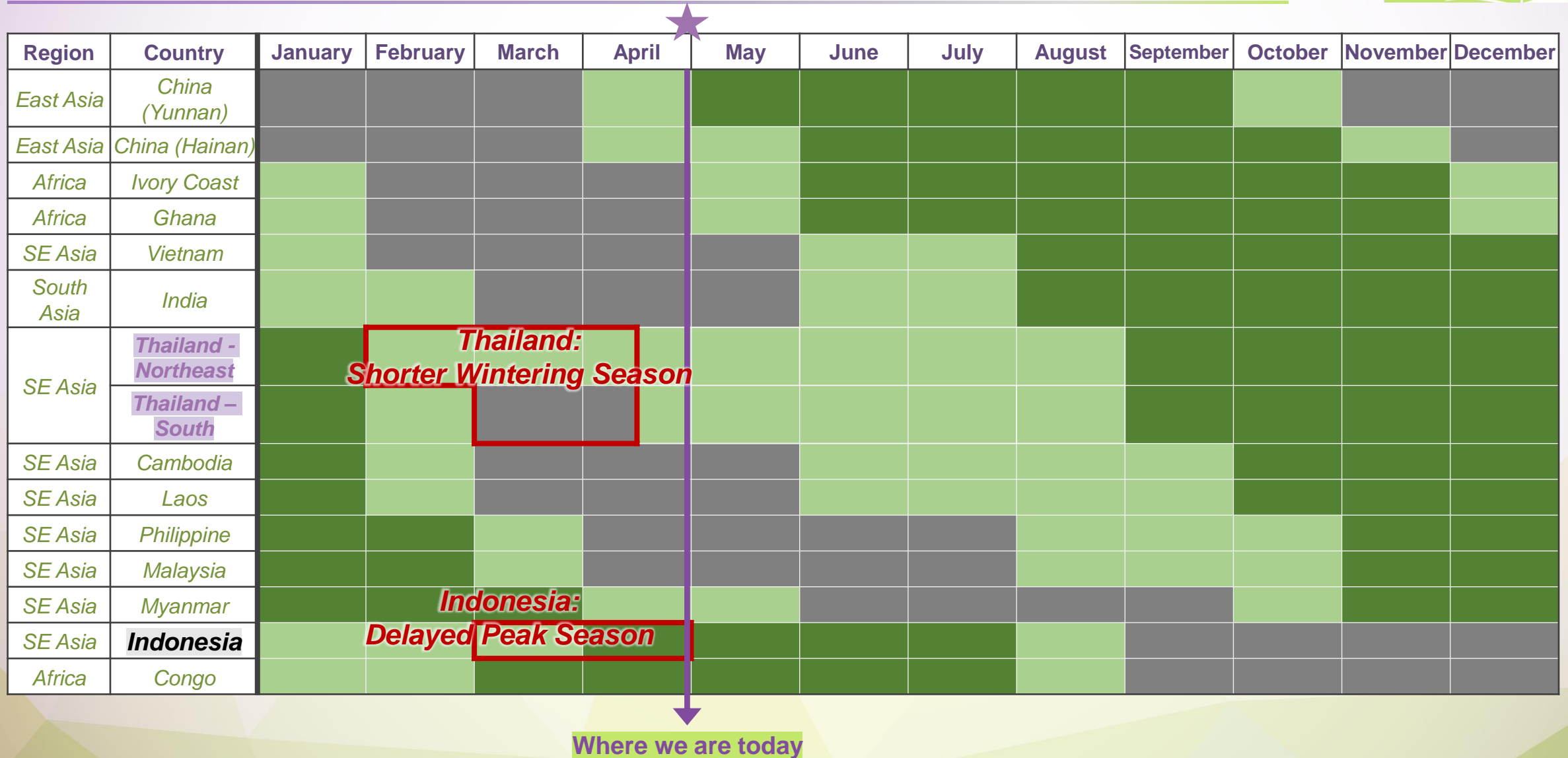
**Low Season**

**Wintering Season**

© Sri Trang Agro-Industry Plc.



# 2022 Global NR Seasonality: Shorter Wintering Season in Thailand & Delayed Peak Season in Indonesia



Note:

Peak Season

Low Season

Wintering  
Season

© Sri Trang Agro-Industry Plc.

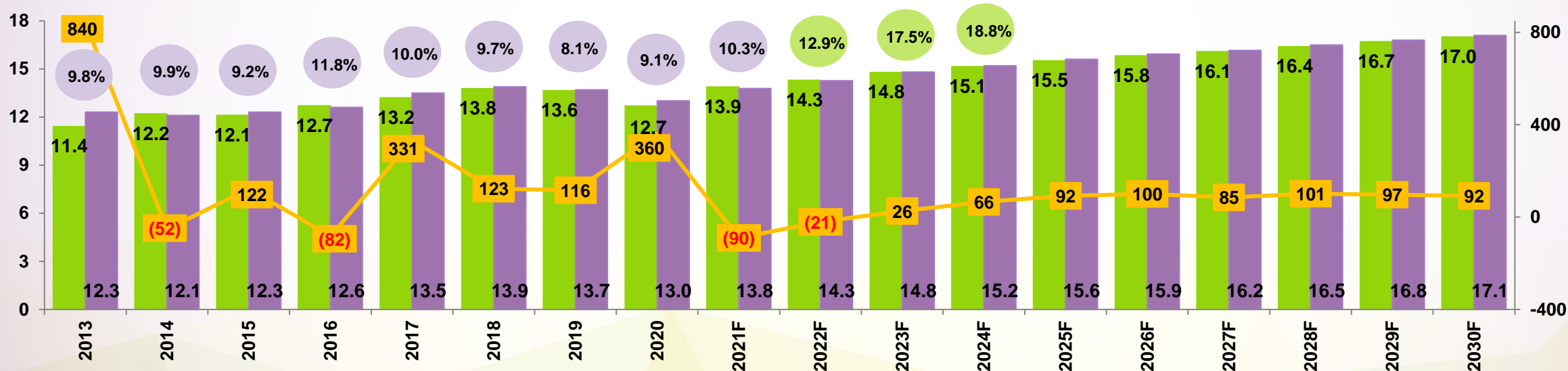
# Global NR Situation

## Natural Rubber Demand & Supply

(Unit : million tons)

■ Demand (LHS) ■ Supply RHS — Surplus/ (deficit) ● % STA market share

(Unit : '000 tons)



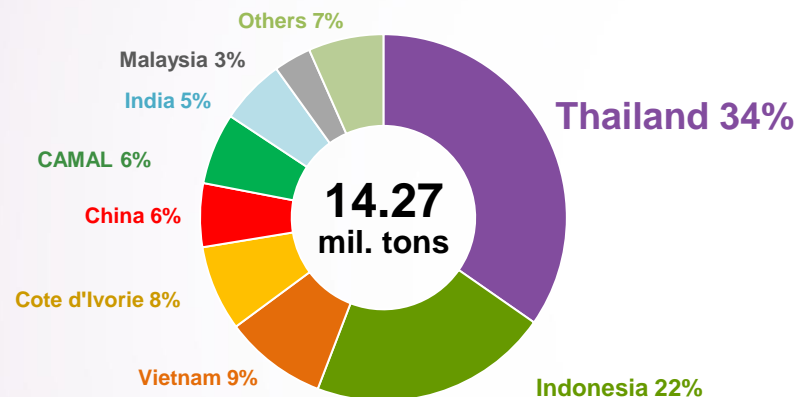
IRSG's forecast	2021 [mil.tons]	2022F [mil.tons]	% Change from 2021
Demand	13.88	14.29	▲3.0%
Supply	13.79	14.27	▲3.5%
(Supply Deficit)	(0.09)	(0.02)	▼76.7%



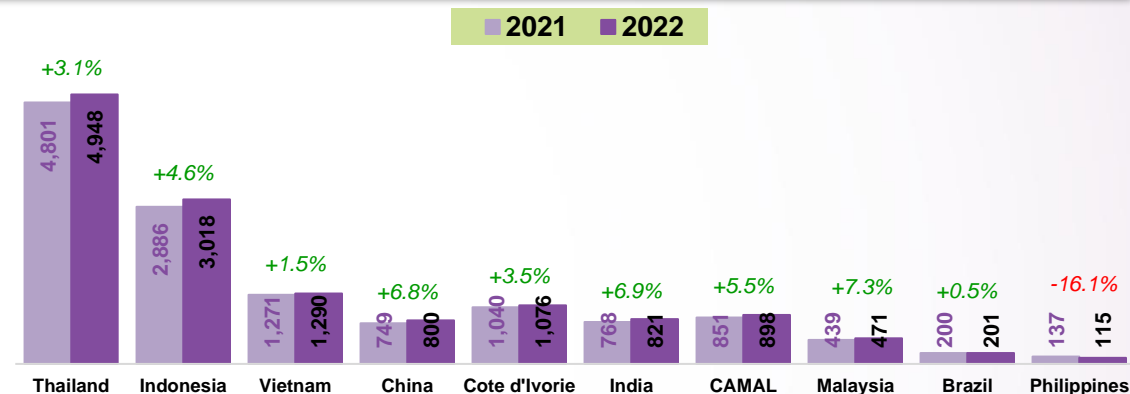
# NR Supply & Demand

## 2022F Major NR Producers

2022F global production growth = +3.5% YoY

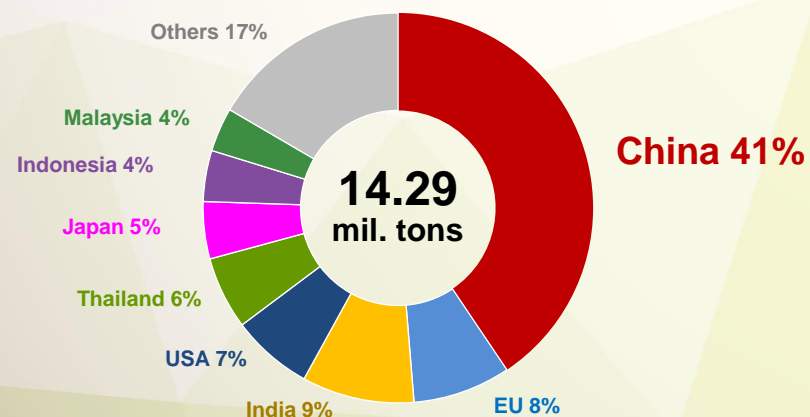


## NR Production from Top 10 Producers

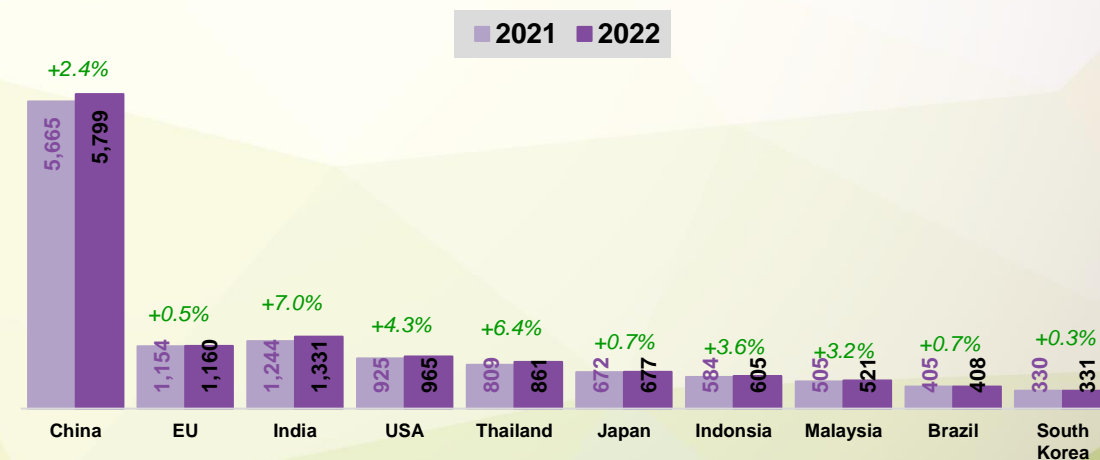


## 2022F Major NR Consumers

2022F global growth in consumption = +3.0% YoY



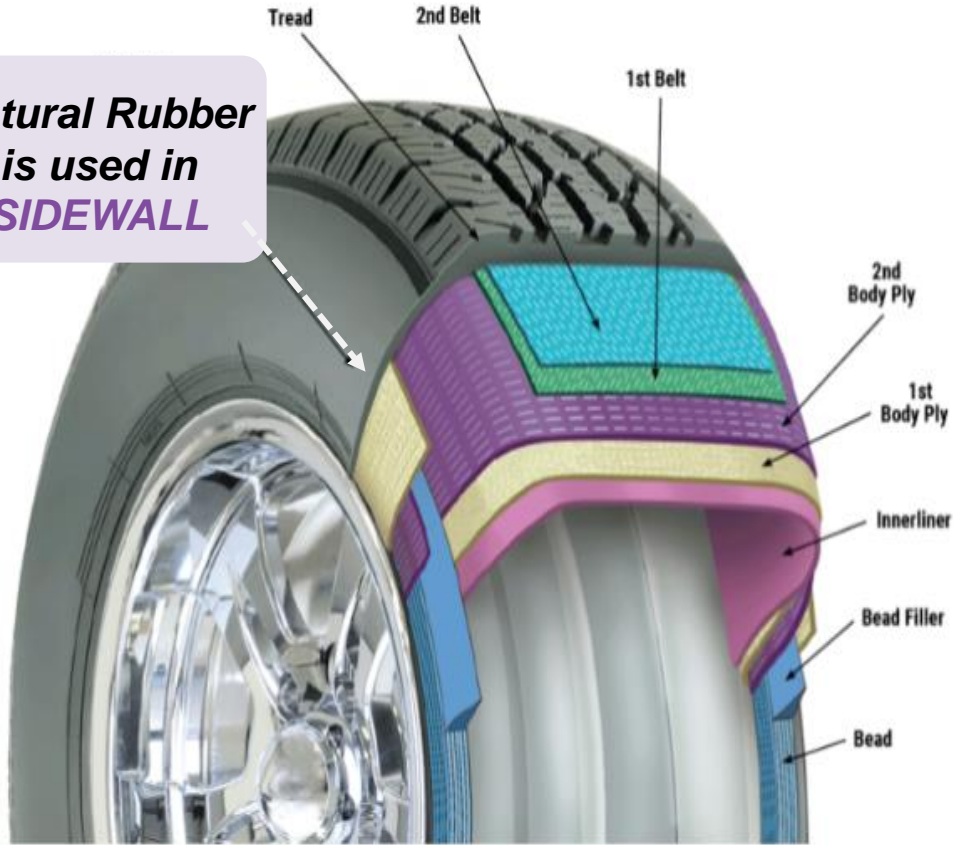
## NR Consumption from Top 10 Customers



# Tire's Components & How EV Tires Differ from Regular Tires

## Tire's Components

**Natural Rubber**  
is used in  
**SIDEWALL**



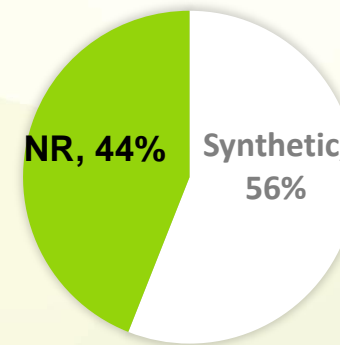
## EV Cars

- ✓ Higher Weight (10 – 20% of ICE)
- ✓ Bigger tires to reduce rolling resistance
- ✓ A lot more torque
- ✓ Require higher breaking performance

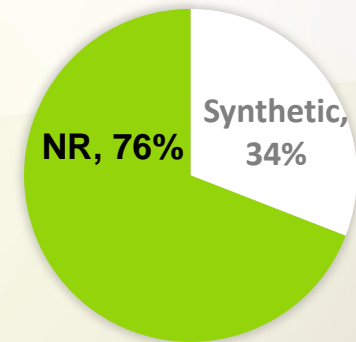
## EV Tires

- ✓ Need to be **Bigger & Heavier** than regular tires

## Rubber Components in Tire



Passengers/ Light Truck Tires



Truck Tires

# Awards in terms of ESG

## Economic (Green Company) “Sustainable Growth”



Topic	Key success
<ul style="list-style-type: none"> <li>Good Corporate Governance</li> <li>Anti-corruption</li> <li>Increased production and Expand market share</li> <li>Strengthen the customers' and Partners' trust</li> <li>Educated rubber farmer to make a good quality raw material</li> <li>Create innovation and new technology</li> </ul>	<ul style="list-style-type: none"> <li>CG and AGM score</li> <li>Member of The Private Sector Collective Action Coalition Against Corruption (CAC)</li> <li>Economic performance</li> <li>Customer satisfaction score</li> <li>Sri Trang rubber farmer project</li> <li>Benefit from Kaizen&amp; QCC activity</li> </ul>

## Social (Green Supply) “Create more happiness for internal and external society”



Topic	Key success
<ul style="list-style-type: none"> <li>Development and employees' care</li> <li>Human Rights and Fair Labor Practices</li> <li>Good health, Safety and Good working environment</li> <li>Establish responsible process to consumer care</li> <li>Engage supplier or partners' for social responsibility</li> <li>Social and Community Development</li> </ul>	<ul style="list-style-type: none"> <li>Turnover rate</li> <li>Comprehensive human rights risk assessment results.</li> <li>Accident rate</li> <li>Complaints</li> <li>No. of Suppliers who acknowledge anti-corruption policy</li> <li>Cost and project to supported and developed community</li> </ul>

## Environment (Green factory, Green product) “Focus on the effective environmental management system”

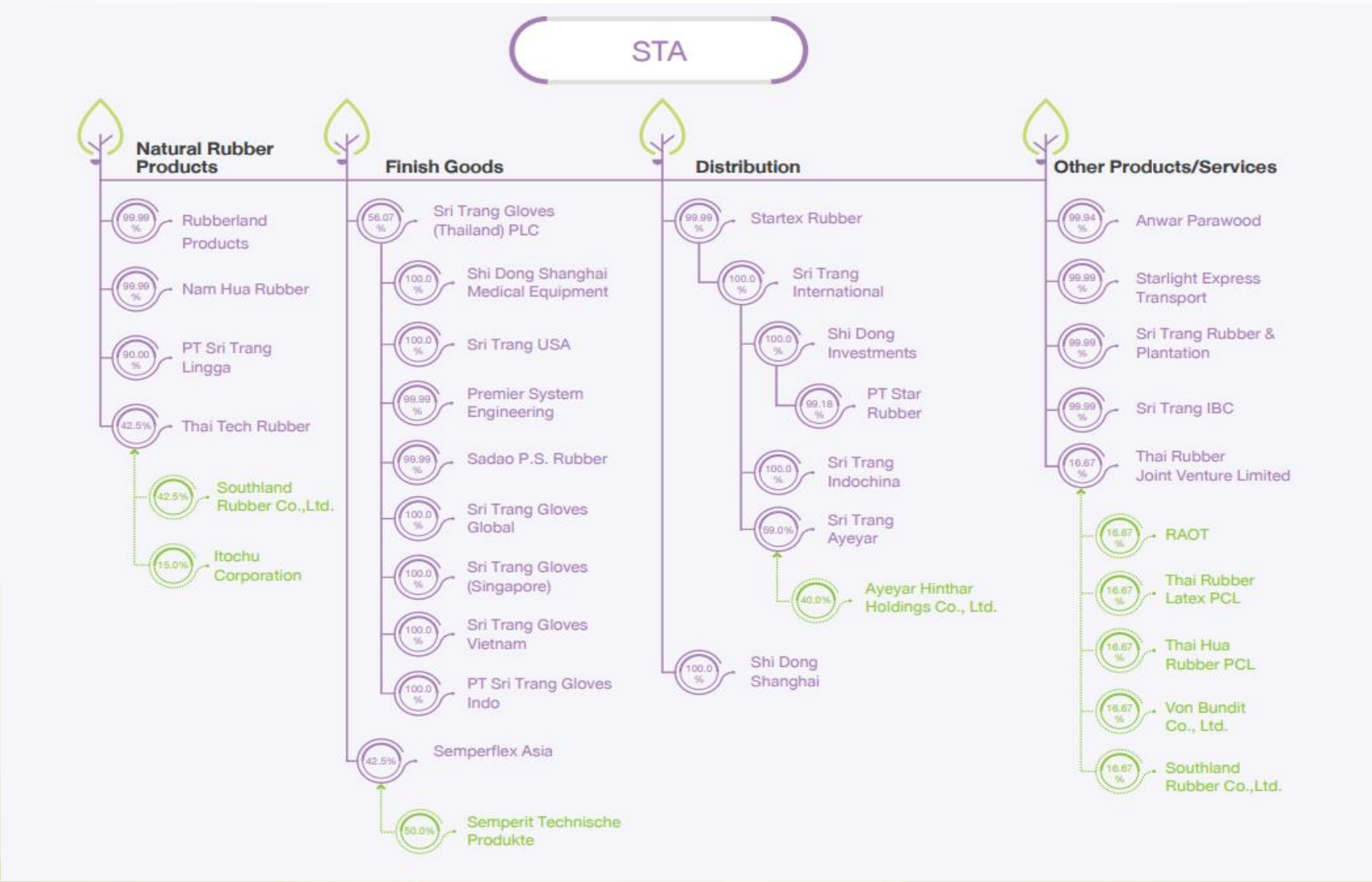


Topic	Key success
<ul style="list-style-type: none"> <li>Energy reduction and renewable energy</li> <li>Reduce CO<sub>2</sub> emission</li> <li>Efficiency resourcement and reuse material</li> <li>Oriented towards managing to reduce Impacts of the production</li> <li>Planting and increasing the green areas</li> <li>R&amp;D environmental friendly products</li> </ul>	<ul style="list-style-type: none"> <li>Energy consumption per product unit</li> <li>Carbon dioxide equivalent emissions per unit of product</li> <li>Waste to Value project</li> <li>Complaints from the community</li> <li>Carbon sequestration</li> <li>Number of projects/products that are environmentally friendly</li> </ul>





# Group Structure





# THANK YOU



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